SUPERMARKET BUSINESS

C3475-1 11/10/83

The
Automat d
St re

[illegible] SECTION

1983 STORE O[illegible] EQUIPMENT DIRECTORY

SUPERMARKET BUSINESS

VOLUME 38
NUMBER 11
NOVEMBER 1983

PUBLISHER:
Jeffrey A. Schaeffer
EDITOR:
Kenneth P. Partch
EXECUTIVE EDITOR:
Carol Fensholt
SENIOR EDITOR:
Douglas T. Harris, Jr.
MANAGING EDITOR:
Robert J. Hughes
ASSOCIATE EDITOR:
Sarah Lum
EDITORIAL ASSISTANT:
Marianne Skoczek
CONTRIBUTING EDITORS:
Management: **Daniel J. Bartz**
Marketing: **Len Daykin**
Meat: **Kenneth Johnson, John Francis**
Merchandising: **John Pagliaro**
Produce: **Barney H. McClure**
Store Engineering: **Jay Forrester**
Store Planning: **David Rogers**
Technology: **Richard Shulman**
Training: **Donald Stowbridge**
CIRCULATION MANAGER:
Virginia Bucci
PRODUCTION MANAGER:
Daniel Coakley
DIRECTOR OF PUBLICATION RESOURCES:
Norman Bussel
RESEARCH DEPARTMENT:
Norman Bussel
(914) 528-1369

ADVERTISING SALES:
EAST:
NORTHEAST REGIONAL SALES MANAGER:
Jack Driscoll
SOUTHEAST REGIONAL SALES MANAGER:
Al Greenberger
Fieldmark Media, Inc.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
CHICAGO:
MIDWEST DIVISION SALES MANAGER:
Dave Wishard
Fieldmark Media, Inc.
3530 W. Peterson Ave.
Chicago, Ill 60659
312-583-1318
WEST COAST:
Sue Marritt
Fieldmark Media, Inc.
15910 Ventura Blvd., Suite 800
Encino, Calif. 91436
213-783-5888

CORPORATE STAFF
FIELDMARK MEDIA, INC.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
212-354-5169
PRESIDENT:
Jeffrey A. Schaeffer
ADMINISTRATIVE MANAGER:
Catherine Cahill
BUSINESS MANAGER:
Eric Braunstein
CORPORATE DIRECTOR
SALES AND MARKETING:
Thomas M. Rigney

AFFILIATED PUBLICATION:
Milling & Baking News
Sosland Publishing Co.
Kansas City, Mo.

COVER PHOTOGRAPHY:
Buddy Jenssen

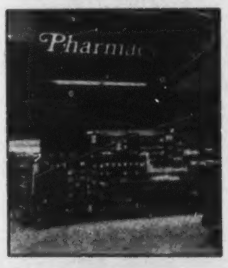
SUPERMARKET BUSINESS Magazine (ISSN 0196-5700) is published monthly by Fieldmark Media, Inc., 25 W. 43rd St., New York, N.Y. 10036. Telephone: (212) 354-5169. Circulated free of charge to grocery retailers and wholesalers. U.S. subscriptions $30 per year; Canada, $35 per year. Foreign subscriptions $45. Single copies $3 except Consumer Expenditures Study (September issue) $15 per copy. (Discount prices available on multiple purchases.) Copyright © 1983 Fieldmark Media, Inc. All rights reserved. Second class postage paid at New York, N.Y., and additional mailing offices.

BPA ABP

PAGE 14
THE BATTLE FOR CENTRAL CONNECTICUT WARMS UP
This area of the country typifies what's happening elsewhere in the U.S. and what kinds of supermarkets—and competition—are arising. Because superhighways make traveling 10 and 20 miles easier than ever, many trading areas are overlapping, growing larger, as stores themselves evolve into huge, powerful competitors.

PAGE 23
LOOKING AT AUTOMATED CASH MANAGEMENT
Electronic funds transfer systems can allow supermarket operators to automate some basic banking services and to enhance customer convenience. A lot of chains are experimenting with EFT, and most agree it's a payment system of the future.

PAGE 30
BRUNO'S FOOD & PHARMACY PERSONAL SERVICE ON A GRAND SCALE
Bruno's is betting that its suburban Birmingham, Ala., market is ready for service that is at once full-scale and intimate, in a store that integrates high-ticket specialty items throughout a full product mix—all done with style.



PAGE 35
NONFOODS BUSINESS: THE OUTLOOK FOR OVER-THE-COUNTER DRUGS
As more and more over-the-counter drugs are made for over-the-counter sales, and as more supermarkets enlarge their drug sections, retailers must know some of the background of this trend, and inform their customers of the medicine's uses.

PAGE 47
THE AUTOMATED STORE: HOW NEAR TO CLOSING THE GAP?
Small computers are being programmed to span the gaps between front- and back-end store operations—eventually. Several programs are being tested at stores, while other retailers await results before deciding when—and how—to automate their operations.

PAGE 55
STORE PLANNERS' 1983 EQUIPMENT DIRECTORY
Where to find what ... and who makes it.

OTHER FEATURES AND COLUMNS

PAGE 5 EDITOR'S VIEW
PAGE 8 TRADESCAN
PAGE 12 TECHNOLOGY
PAGE 20 PRODUCE
PAGE 38 SAMI
PAGE 45 NEW PRODUCTS

SAMI UPATE: HBA Growth Slows, But Continues Strong

There were gains in most HBA product categories, although the increase was less than the preceding period. Biggest winners were in oral hygiene. So far this year, HBA sales are, on the whole, very strong.

During the four-week reporting period ending July 22, 1983, the national food store unit sales of HBA items tracked by SAMI had risen an encouraging 7.8 percent. In August, this rate of gain slowed to a 4.5 percent increase—still an impressive rise over the corresponding period a year ago.

Of the 49 HBA product categories that SAMI measures, (excluding appetite supressants, with less than a year of data available), 31 categories registered volume gains, while 18 showed declines in national unit food store movement, during the period ending August 19.

As in the preceding four-week period, there was only one product group with a loss—baby needs, where the decline amounted to −0.8 percent, as a result of continuing weakness among baby powders (−7.3 percent) and infant clothes (−10.7 percent). There were increases for baby oils, creams and lotions (+2.7 percent) and for nursing supplies.

In the previous reporting period, all eight deodorant categories showed unit volume gains. In the latest August period three deodorant categories suffered volume dips: spray deodorants (−2.5 percent), cream deodorants (−1.6 percent) and feminine hygiene deodorants (−6.2 percent). But strong sales among individual products, stick deodorants in particular (+18.3 percent), helped the product group as a whole to advance 5.0 percent.

In the first aid product group, the 5.2 percent growth rate was the lowest since the expansion of the first aid antiseptic category, when there were many new entries among cortisone over-the-counter preparations. The latest four-week growth rate for this category was only 2.3 percent, which compares with a 52-week increase of 7.6 percent.

The hair care needs product group managed to remain in the plus column only because the high-volume shampoo category had a healthy gain of 4.8 percent.

The oral hygiene product group was still strong. The only decline was 0.1 percent for denture adhesives. Volume for the product group as a whole advanced 10.4 percent, paced by gains of 13.3 percent for toothbrushes and 12.6 percent for toothpaste and powder.

In the proprietary remedies group, there was a gain of 3.2 percent, despite unit volume losses for each of the four cold remedy categories. As of August 19, the first anniversary of the Tylenol scare was still six weeks away, so the gain was not in contrast with a year ago.

Shaving needs as a product group showed a 3.5 percent rise in unit sales. Losses were found in two small volume categories, −11.0 percent for razors and blades and −4.0 percent for preshave lotions.

Continued on page 40

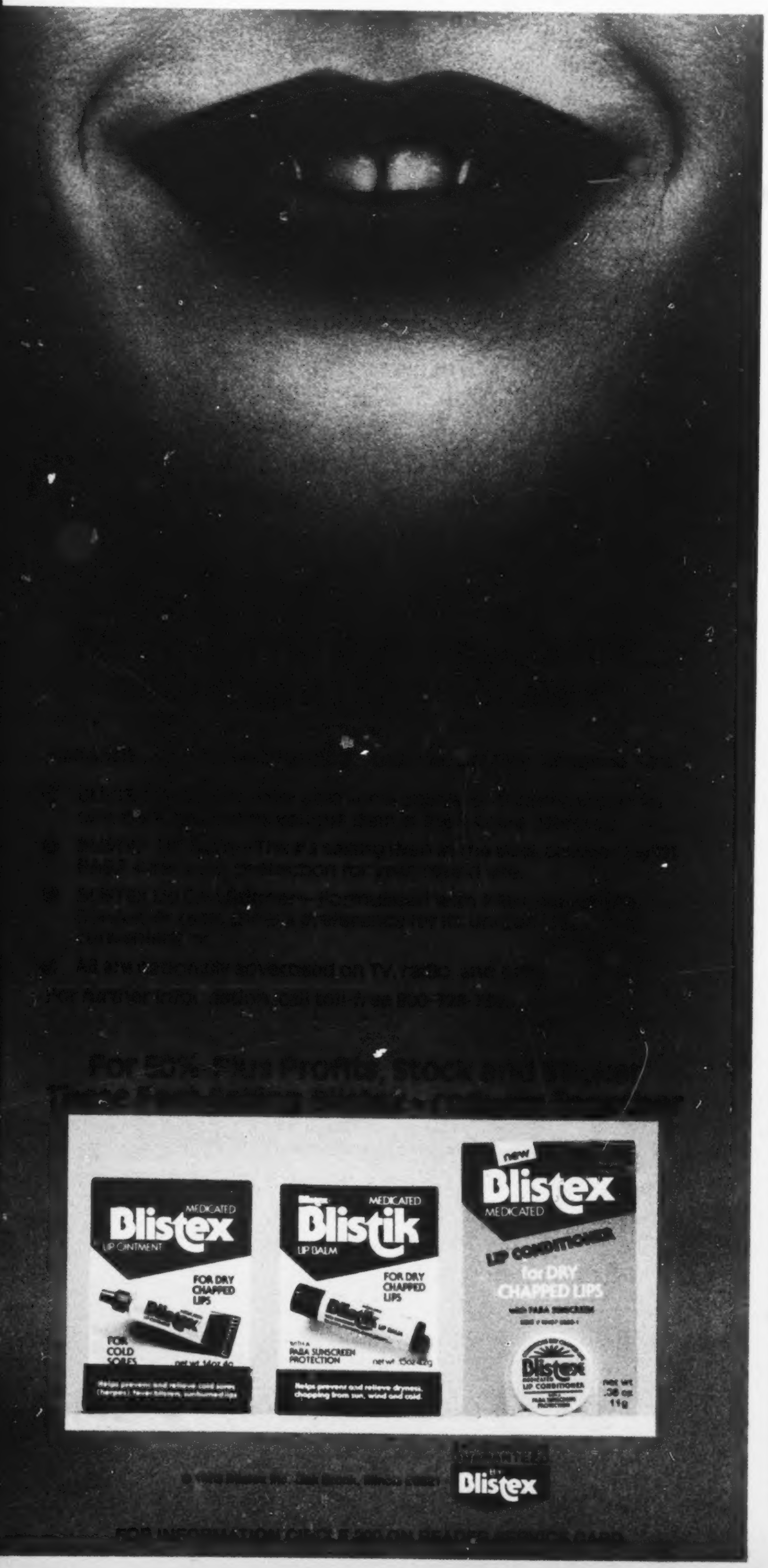
Continued from page 38

Finally, skin care aids moved upward 5.2 percent, despite losses of 12.5 percent for suntan lotion, suntan oil and a modest 0.6 percent for facial preparations. On a percentage basis, lip care products, with a 26 percent advance, had the highest four-week increase of all the HBA categories that SAMI measures. This is a relatively small category, however, and even a large percentage gain does not translate to as many units as does a 9.6 percent increase for hand and body lotions and creams, for example. Cosmetic and medicated skin aids as a category increased 2.2 percent.

So far in 1983, food store sales of most high-margin health and beauty aids products have proceeded at a brisk rate. Manufacturers and retailers alike are hoping that the gains stay gains and the minuses become pluses during the remaining four SAMI periods in 1983. ■

HEALTH & BEAUTY AIDS:
SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

	% CHANGE VS. YEAR AGO		
PRODUCT GROUP AND CATEGORY	4 WEEKS ENDING 5/27/83	4 WEEKS ENDING 7/22/83	4 WEEKS ENDING 8/19/83
BABY NEEDS	**− 4.3%**	**− 0.4%**	**− 0.8%**
Baby Powders	−10.4	−10.2	− 7.3
Baby Oils, Creams & Lotions	− 6.7	+ 2.3	+ 2.7
Infant Clothes	− 5.3	− 8.0	−10.7
Nursing Supplies	+ 4.1	+ 6.1	+ 3.2
DEODORANTS	**+ 1.9%**	**+ 9.3%**	**+ 8.0%**
Sprays	− 0.7	+ 0.3	− 2.5
Roll-On	− 0.4	+ 8.4	+ 0.8
Stick Deodorants & Pads	+ 2.8	+24.5	+18.3
Creams	− 0.7	+ 2.5	− 1.5
Deodorants & Talcum Powders	+10.0	+ 5.6	+ 4.4
Feminine Hygiene Deodorants	± 0.0	+ 1.2	− 6.2
Foot Deodorants & Athlete's Foot Remedies	− 1.5	+ 8.0	+ 6.0
FIRST AID	**+ 9.7%**	**+ 6.0%**	**+ 5.2%**
Antiseptics	+ 7.5	+ 5.3	+ 2.3
First Aid Products	+10.3	+ 6.3	+ 6.1
HAIR CARE NEEDS	**− 0.9%**	**+ 8.0%**	**+ 0.7%**
Shampoos	+ 2.7	+10.3	+ 4.8
Hair Sprays	+ 1.0	− 0.9	− 0.7
Hair Conditioning Rinses	−11.0	− 1.7	− 9.4
Hair Setting Needs	+ 3.3	+22.0	+21.7
Home Permanent Kits	− 3.1	− 8.5	−13.1
Hair Coloring	− 3.1	− 1.2	+ 1.0
Hair Dressing Needs	+ 1.0	+ 4.8	+ 5.5
ORAL HYGIENE	**+ 4.9%**	**+14.3%**	**+10.4%**
Toothpastes & Powders	+ 2.7	+21.1	+12.6
Mouthwashes	+ 7.3	− 3.6	+ 1.9
Breath Fresheners	+ 9.3	+13.1	+ 7.3
Denture Cleaners	+ 6.8	+11.6	+ 8.8
Denture Adhesives	− 0.1	− 2.2	− 0.1
Toothbrushes	+15.4	+ 6.5	+13.3
PROPRIETARY REMEDIES	**+ 7.7%**	**+ 5.7%**	**+ 3.2%**
Antacids	+ 3.5	+ 5.7	+ 3.4
Internal Analgesics	+ 9.2	+12.8	+10.7
External Analgesics	+ 7.7	− 0.3	+ 3.8
Cold Tablets	+10.6	+10.6	− 4.4
Nasal Sprays—Drops—Inhalers	+ 0.2	− 0.7	− 1.7
Chest Rubs	+ 3.7	− 8.1	−11.6
Cough Remedies	+10.5	−11.3	−11.0
Laxatives	+ 8.4	+ 6.0	+ 1.6
Sleeping Aids	+ 7.0	+ 6.8	+ 4.4
Tranquilizers	−26.7	−12.3	−17.6
Vitamins	+ 4.8	+ 6.0	+ 3.4
Eye Care Products	+12.0	+15.2	+10.0
SHAVING NEEDS	**+ 1.8%**	**+ 6.9%**	**+ 3.5%**
Shaving Creams	+11.7	+17.2	+10.0
Pre-Shave Lotions	− 4.2	+ 2.5	− 4.0
After-Shave Lotions	+ 3.1	− 0.4	+ 9.1
Razor Blades	− 1.0	+ 4.7	+ 1.2
Razors & Blades	−15.8	−10.2	−11.0
SKIN CARE AIDS	**− 4.3%**	**+ 8.3%**	**+ 5.2%**
Hand & Body Creams & Lotions	−10.3	+ 5.1	+ 9.6
Facial Preparations	+13.4	− 1.1	− 0.6
Lip Care Products	+ 9.6	+30.5	+26.0
Suntan Lotions & Oils	+20.1	+14.0	−12.5
Cosmetic & Medicated Skin Aids	− 0.4	+ 3.6	+ 2.2
TOTAL ALL CATEGORIES	**+ 3.4%**	**+ 7.8%**	**+ 4.3%**


For 50%-Plus Profits, Stock and Display
Blistex MEDICATED LIP OINTMENT
FOR DRY CHAPPED LIPS
FOR COLD SORES
Helps prevent and relieve cold sores (herpes), fever blisters, sunburned lips
Blistik MEDICATED LIP BALM
FOR DRY CHAPPED LIPS
WITH A PABA SUNSCREEN PROTECTION
Helps prevent and relieve dryness, chapping from sun, wind and cold.
new Blistex MEDICATED LIP CONDITIONER for DRY CHAPPED LIPS
net wt .38 oz 11g
Blistex

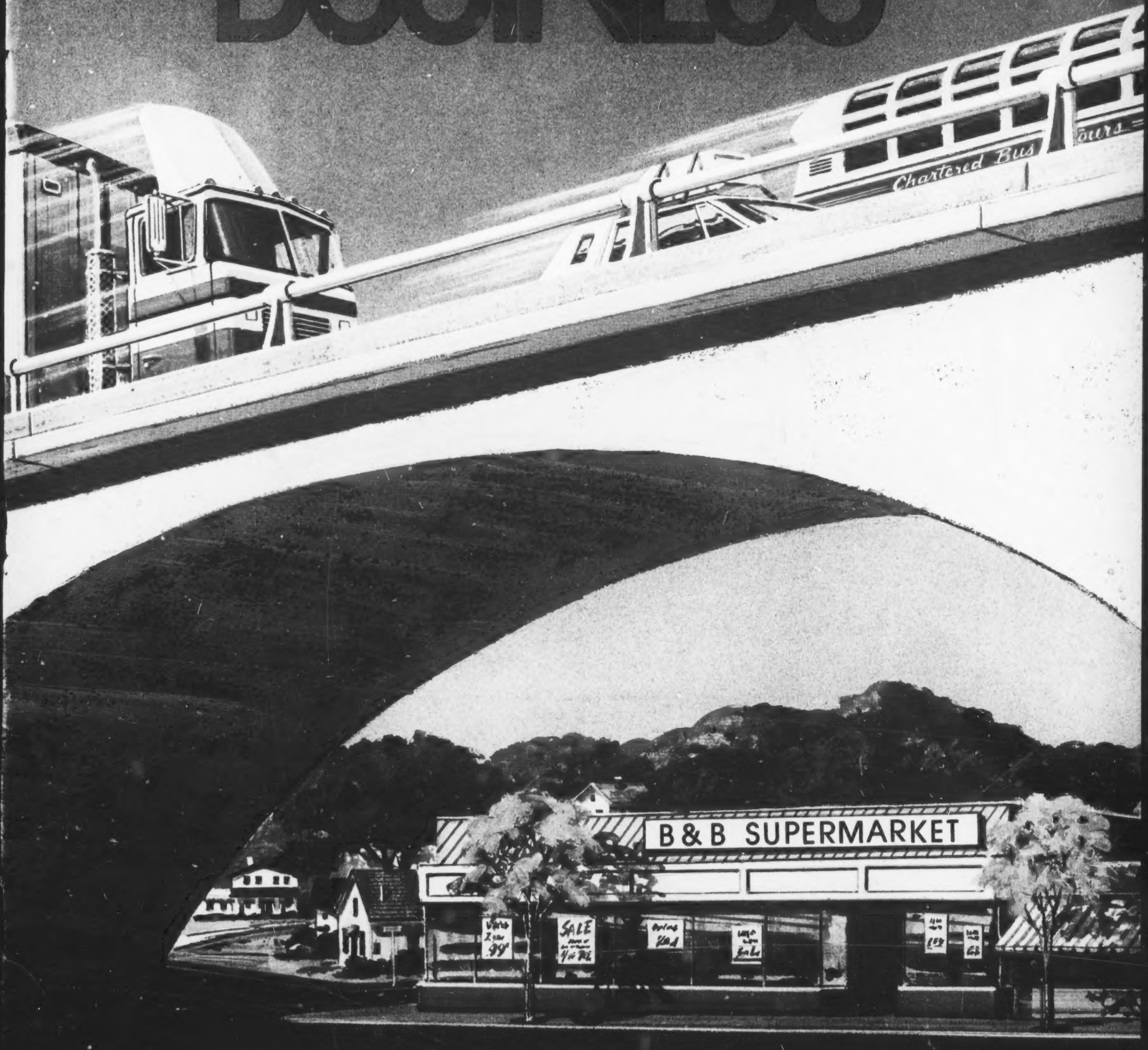
All are regularly advertised on TV, radio, and print.
FOR INFORMATION CIRCLE 200 ON READER SERVICE CARD

SUPERMARKET BUSINESS

$2.50
PER COPY

VOLUME 38/NUMBER 12
DECEMBER 1983

12/8/83
C3475-1A


Chartered Bus
Tours
B & B SUPERMARKET
SALE

Is the Superhighway Making the Conventional Supermarket Obsolete?

SUPERMARKET BUSINESS

VOLUME 38
NUMBER 12
DECEMBER 1983

PUBLISHER:
Jeffrey A. Schaeffer
EDITOR:
Kenneth P. Partch
EXECUTIVE EDITOR:
Carol Fensholt
SENIOR EDITOR:
Douglas T. Harris, Jr.
MANAGING EDITOR:
Robert J. Hughes
ASSOCIATE EDITOR:
Sarah Lum
EDITORIAL ASSISTANT:
Marianne Skoczek
CONTRIBUTING EDITORS:
Management: **Daniel J. Bartz**
Marketing: **Len Daykin**
Meat: **Kenneth Johnson, John Francis**
Merchandising: **John Pagliaro**
Produce: **Barney H. McClure**
Store Engineering: **Jay Forrester**
Store Planning: **David Rogers**
Technology: **Richard Shulman**
Training: **Donald Stowbridge**
CIRCULATION MANAGER:
Virginia Bucci
PRODUCTION MANAGER:
Daniel Coakley
DIRECTOR OF PUBLICATION RESOURCES:
Norman Bussel
RESEARCH DEPARTMENT:
Norman Bussel
(914) 528-1369

ADVERTISING SALES:
EAST:
NORTHEAST REGIONAL SALES MANAGER:
Jack Driscoll
SOUTHEAST REGIONAL SALES MANAGER:
Al Greenberger
Fieldmark Media, Inc.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
CHICAGO:
MIDWEST DIVISION SALES MANAGER:
Dave Wishard
Fieldmark Media, Inc.
3530 W. Peterson Ave.
Chicago, Ill 60659
312-583-1318
WEST COAST:
Sue Marritt
Fieldmark Media, Inc.
15910 Ventura Blvd., Suite 800
Encino, Calif. 91436
213-783-5888

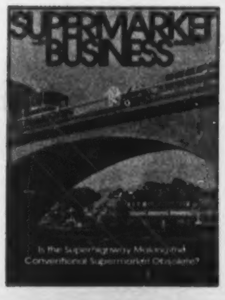
CORPORATE STAFF
FIELDMARK MEDIA, INC.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
212-354-5169
PRESIDENT:
Jeffrey A. Schaeffer
ADMINISTRATIVE MANAGER:
Catherine Cahill
BUSINESS MANAGER:
Eric Braunstein
CORPORATE DIRECTOR
SALES AND MARKETING:
Thomas M. Rigney

AFFILIATED PUBLICATION:
Milling & Baking News
Sosland Publishing Co.
Kansas City, Mo.

COVER ILLUSTRATION BY:
Ted Glavis

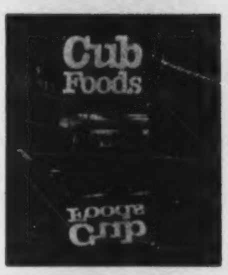
SUPERMARKET BUSINESS Magazine (ISSN 0196-5700) is published monthly by Fieldmark Media, Inc., 25 W. 43rd St., New York, N.Y. 10036. Telephone: (212) 354-5169. Circulated free of charge to grocery retailers and wholesalers. U.S. subscriptions $32 per year; Canada, $37 per year. Foreign subscriptions $48. Single copies $3.50 except Consumer Expenditures Study (September issue) $15 per copy. (Discount prices available on multiple purchases.) Copyright © 1983 Fieldmark Media, Inc. All rights reserved. Second class postage paid at New York, N.Y., and additional mailing offices.

BPA ☆ABP



PAGE 15

IS THE SUPERHIGHWAY MAKING THE CONVENTIONAL SUPERMARKET OBSOLETE?
As superhighway systems make travel between bigger distances easier, the traditional trading areas for stores have begun to overlap, and powerful new stores are drawing from larger areas than before. Density of population may be the key to many kinds of retailing success, but for many others it is now determined by access to a major highway.



PAGE 26

CUB'S IN INDIANAPOLIS AND COMPETITION BEARS DOWN ON PRICES
Retailers in Indianapolis aren't taking the new Cub competition peacefully. In fact, the area's never seen anything like what's happening now, with raging prices wars that might end up with more than a few casualties.

PAGE 35

NONFOODS BUSINESS GIVING COSMETICS MORE THAN LIP SERVICE
Retailers in many areas are approaching cosmetics—a growing category—with a little more respect. They've given the section a department-store ambience, hoping to lure higher-ticket items and discriminating customers.

PAGE 42

THERE'S SOMETHING ABOUT A LITTLE NIBBLE
Byerly's threw its customers a little party—an offbeat Sample Fest—and just about everybody came, to have fun, to taste, mingle and in the end . . . buy.

PAGE 21

FOOD BROKERS FACE NEW CHALLENGES
Technological advances, and moves into new kinds of business, are old and new news for brokers. So are the snarly issues of escalating trade allowances and diverting.

PAGE 30

CIGARETTE MERCHANDISING A SOFT SALES YEAR BEGETS EXPERIMENTATION
Although sales are down a bit because of high prices, cigarettes are still selling. The big question nowadays: what's the best way to display the increasingly popular single packs.

PAGE 46
1983 EDITORIAL INDEX

OTHER FEATURES AND COLUMNS

PAGE 5 EDITOR'S VIEW
PAGE 8 TRADESCAN
PAGE 14 TECHNOLOGY
PAGE 39 SAMI
PAGE 41 PRODUCE

TRADESCAN

Report on Retailing for 80s Examines Market Strategies

NEW YORK—If retailers in all areas of trade—including the grocery business—are to thrive, or at least survive, in the upcoming years, they will have to adapt to the various marketing changes that will be taking place.

This is the message of "Retailing for the 1980s," Dun & Bradstreet's strategical and financial analysis of 13 retail industries, including drug and proprietary stores, department stores, consumer electronics and the auto aftermarket. In addition, the survey contains an analysis of 11,468 privately and publicly held retailers in the grocery industry.

Included for all retail areas are: an investigation of key issues facing retailing in the 80s; the outlook for various types of retail outlets; emerging merchandise trends; external factors affecting retailing; financial analyses and forecasts for the future.

There is a lot of information on the financial state of the grocery business vis-à-vis other retail areas. Of the 13 retail industries considered, grocery stores have the lowest median gross profit (19.0 percent) and the lowest median net profit (2.2 percent). Retail averages for these two categories are 32.5 percent and five percent, respectively.

Grocery stores registered the highest sales to inventory (17.8 times) and the highest gain in working capital from 1981 to 1982, with an increase of 7.0 percent. In this latter category, total retail registered a decline of 6.8 percent.

For the years 1983-1986, for those grocery retailers who adapt successfully to the needs of the future (for example, the much-discussed trend toward consumer segmentation, larger stores with more services), the study forecasts a constant annual increase of four percent in sales in millions of dollars. By 1986, annual grocery retail sales are expected to surpass $178.4 billion. ■

SALES FORECAST FOR GROCERY STORES, 1983–1986

YEAR	SALES (IN $MILLIONS)	% CHANGE OVER PREVIOUS YEAR
1977	$ 87,600	–
1978	104,498	19%
1979	119,583	14
1980	133,280	11
1981	144,542	8
1982	152,850	6
1983	158,833	4
1984	164,482	4
1985	170,994	4
1986	178,440	4

Retailers Win Nutrition Awards

WASHINGTON, D.C.—In October, *Family Circle* and FMI announced the winners of the fifth biennial Gold Leaf Awards for outstanding nutrition education materials. Supermarkets, food product manufacturers and associations submitted entries in either of the Awards' two divisions—the recently added community and public information category or the original classroom education category—or in a combination of the two.

Retailers took four of the five awards in the adult education category. These supermarket winners were: Star Market Co. (Cambridge, Mass.), Jewel Food Stores (Melrose Park, Ill.), Giant Food, Inc. (Landover, Md.) and City Market, Inc. (Grand Junction, Col.).

Star Market's entry was a booklet entitled, "Nutrition Guide for Sodium in Foods." Jewel Food Stores submitted a series of fact sheets (part of an annual four-week Nutrition Awareness Program) and a booklet, "Keep Fit: A Senior's Guide to Good Nutrition from Jewel." Giant also offered a guide for senior citizens, "Shopping Sense for Seniors, A guide to Thrifty and Wholesome Eating." City Markets' entry consisted of "Nutri-Wise" slides, recipes, pamphlets and letters.

The only non-retail winner in the community and public information category was Lipton, Inc.

The classroom education category's three winners were the Pillsbury Co., Cheesborough, Ponds, Inc. and Fleishmann's Yeast.

The Gold Leaf Awards were established in 1973 as an outgrowth of the White House Conference on Food, Nutrition and Health. ■

Bulk Guidelines Ready Soon

WASHINGTON, D.C.—Bulk foods have boomed over the past year, without the benefit of a standard nationwide policy for their handling and selling. But an end is finally in sight to the confusion over retailing guidelines. By January, the FDA's final draft of its bulk food handling guidelines will be available to retailers.

The guidelines, which could make handling of bulk food products uniform across the country, will supplement the model food sanitation codes developed in June, 1982.

As a supplement to these codes, however, the guidelines are subject to acceptance or rejection—and to the addition of further guidelines—by local, county and state health agencies. Already several states, including Massachusetts, Connecticut, California and Texas, have initiated their own bulk foods retailing regulations. These regional regulations could result in over-regulation and a fragmentation of the FDA's attempt at uniformity.

The FDA's guidelines were formulated in response to three areas of concern: the possibilities of the spread of communicable disease, the outbreak of food-borne illness and the contamination of the food itself, whether intentional or unintentional.

The guidelines target nine areas of supermarket management responsibility for controlling bulk food merchandising. Included are: inventory control and rotation; frequency of cleaning and sanitizing; product identification; customer instruction and assistance and take-home containers.

Also covered are two particularly problematic areas. "Grazing," or unauthorized product sampling, can be controlled in most cases by a combination of store employee-customer interaction and the judicious use of signs within the bulk foods section. Both can be an effective means of educating and discouraging would-be grazers.

Returned merchandise constitutes another sticky area. The FDA guidelines recommend that bulk foods that are returned, for whatever reason, be either destroyed or returned to the manufacturer.

Despite all the problems inherent in bulk retailing, it is a growing and profitable part of the supermarket business. Adherence to guidelines such as the FDA's can help minimize many of these problems. ■

For Meat Industry, Automation Is the Key

CLEVELAND, Ohio—In the meat industry, as in most others, automation holds the key to the present and the future.

This was the theme of an address given in October to the American Meat Institute by Richard H. Wegener, a food-plant specialist with 35 years' consulting experience. Wegener focused his speech on the meat plant of the future, which he predicted would combine an increased use of technology and a reassessment of current practices and regulations to eliminate a number of chronic industry problems.

A point of particular concern is in-plant sanitation standards, one area in which government regulation could be stronger. Wegener cites the stringent standards currently enforced in the drug and cosmetic industries as possible prototypes for the meat industry.

Increased use of technological advances could provide the answer to much of the sanitation problem, through the use of the so-called clean-in-place (CIP) systems, such as are used in the dairy industry. A CIP system would make possible the sanitizing of an entire meat plant with practically no labor expended.

In other areas, too, updating the meat plant will often be simply a question of applying already-existing technology to a new area, for example, the use of lasers for cutting meat.

While a few individual meat companies have kept up with the latest technological advances, Wegener believes that the industry as a whole has lagged behind other industries technologically.

Increased use of technology in future meat plants, however, will serve to shorten their lifespan. While existing plants have a life expectancy of 50 to 60 years, the automated plant of the 21st century will, due to technological obsolescence, have an average life of approximately 20 years. Outdated plants could be recycled for other uses, in which sanitation is not so important a consideration.

Wegener also called for less government regulation in various areas of meat plant operations, claiming that this has, to a degree, prohibited the industry from fulfilling its potential. "Many plants today," he said, "are designed and constructed chiefly to satisfy federal regulatory requirements with little consideration given to reducing labor utilization, improving production flow or lowering operating costs." For supermarket operators, Wegener predicts three major areas where these and related changes in the operation of meat plants will have an impact:

(1) more uniform and readily enforced quality standards;

(2) meat cutting, preparing and packaging achieved with greater efficiency and

(3) long-term price stability. ■

CORRECTIONS

A picture of Weldotron's System 5005 wrapper was erroneously placed next to the description of Amerind-MacKissic's electric power shredder for Mighty Mac shredder-chippers. (New Equipment, Nov., p. 57)

In an article on Tobacco in September SUPERMARKET BUSINESS, p. 127, mention was made of Newport brand cigarette. As loyal Newport smokers know, Lorillard is the manufacturer of Newport.

SAMI UPDATE: HBA Volume Still Strong Into The Fall

Sales have continued to be good for HBA products this year. In the most recent reporting period highest rates of gain were seen in skin care aids.

In the latest reporting period, national unit volume for all HBA items tracked by SAMI was ahead 4.3 percent compared to the same period a year ago. This is an improvement over the reporting period that ended Sept. 16, when volume was 2.5 percent, but it trailed slightly the 4.5 percent gain registered in the four-week period that ended Aug. 19.

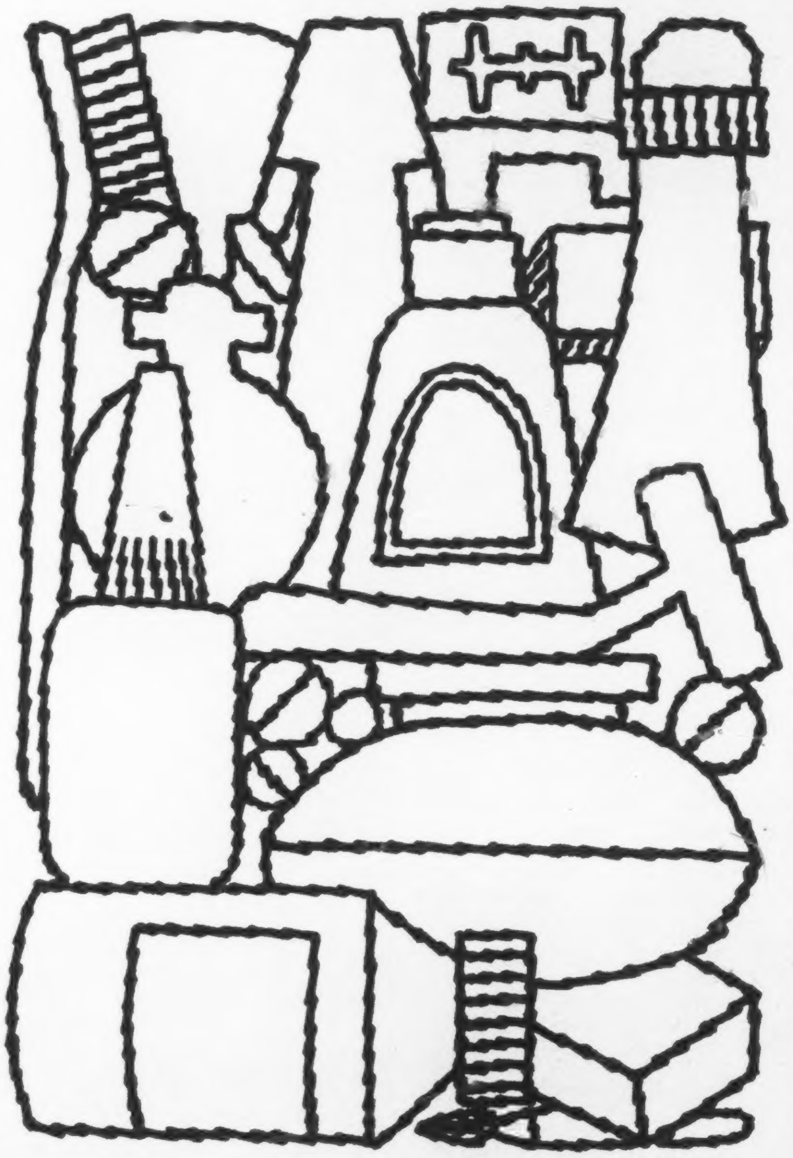
So far this year, there are 33 categories that have increased unit movement, 14 with decreases and two with sales equal to a year ago.

All but one of the eight HBA product groups monitored by SAMI showed growth. Shaving needs had a very slight decline—less than one percent.

In the individual categories, two had four-week, double-digit losses: infant clothes, with a 12.4 percent decline; and proprietary tranquilizers, a low-volume category, with a decline of 13.2 percent. The highest four-week rates of gain were seen in lip care products (+ 35.3 percent), eye care products (+ 30.2 percent), hair setting needs (+ 22.8 percent), shaving creams (+ 19.9 percent) and stick deodorants and pads (+ 19.5 percent). In each of these categories, the current four-week increase is higher than the percentage growth for the most recent 12 weeks or year. In each instance, it represents the continuation of a long-term and consistent growth trend.

Babies arise

Three of the four baby needs categories measured by SAMI showed gains in the October period. The only decline here was in infant clothes, with a loss of 12.4 percent. The baby powders category, which showed losses both on a 12- and 52-week basis, was marginally in the black for the most recent four weeks, with a gain of 0.8 percent. There were increases of more than five percent for baby oils, creams and lotions and also for nursing supplies.



Although three of the eight deodorant categories had volume declines for this period, they occurred in the low-volume categories of cream deodorants (–1.4 percent), deodorants and talcum powders (–0.9 percent) and feminine hygiene deodorants (–9.8 percent). Within this product group, the highest rates of gain were for sticks (+ 19.5 percent), roll-ons (+ 9.2 percent) and foot deodorants/athlete's foot remedies (+ 14.6 percent). Spray deodorants continue to show unit volume increases but now rank second to sticks in unit volume. A year ago, sprays were on top, followed by sticks and roll-ons. Feminine douches, the newest SAMI category in this product group, had an increase of 8.5 percent in four-week unit sales, as opposed to a gain of only 3.2 percent on an annual basis.

Continuing onward and upward are the two first-aid categories. Antiseptics were ahead 14.7 percent and first aid products showed a four-week gain of 9.1 percent. Roll-outs for Neosporin and Cortisone 5 provided new volume in the antiseptics category.

Among the seven product categories in the hair care needs product group, there was only one with a four-week decline in unit movement—hair conditioning rinses, off 4.6 percent, with a 5.0 percent loss on an annual basis. Shampoo showed a gain of 3.7 percent, helped by volume from such new brands as Finesse, Sassoon D, Mink Difference and Naturals. In the hair spray category, there was an increase of 8.4 percent. A new entry from Silkience here expanded the category volume.

Each of the six products in the oral hygiene product group showed increased volume, except for mouthwash, where there was a minimal decline of 0.4 percent. The highest rate of gain was in the smallest category—breath fresheners, with an + 11.2 percent increase. Toothpaste volume continues strong, with important gains seen in Crest and Pepsodent, and a roll-out for Clinomint adding volume to the category. Lesser gains were recorded by denture cleaners (+ 2.9 percent) and toothbrushes (+ 5.6 percent).

The four-week unit sales increase among proprietary remedies amounted to just 1.7 percent. Five individual categories here had declines: tranquilizers (–13.2 percent), cough remedies (–9.0 percent), chest rubs (–2.7 percent), nasal sprays/drops/inhalers (–1.6 percent) and antacids (–1.2 percent). The best rates of gain were made by eye care products (+ 30.2 percent), vitamins (+ 19.1 percent), internal analgesics (+ 10.0 percent), sleeping aids (+ 9.3 percent) and laxatives and stool softeners (+ 7.0 percent). It should be kept in mind that a year ago volume in the internal analgesics category had been depressed as a result of the Tylenol poisoning episodes. So far in the fall season, cold remedies have not experienced brisk sales, although cold tablets had a slight 1.5 percent gain during this reporting period.

Razor's edge

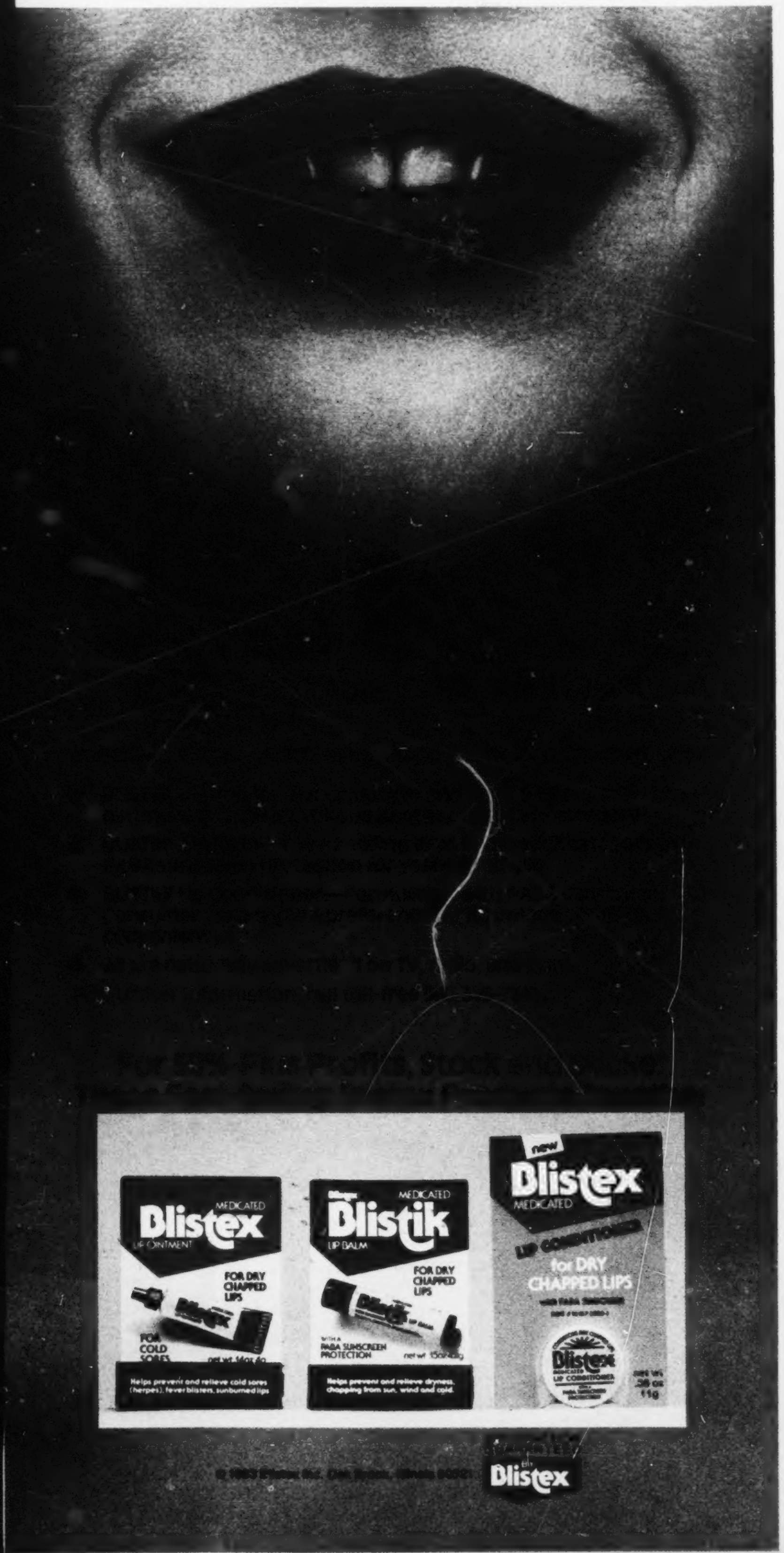
As a result of four-week sales weakness among razor blades, with an –8.6 percent decline, unit sales in the entire shaving needs product group receded 0.7 percent, despite a healthy 19.9 percent increase among shaving creams, which was helped in part by the introduction of Gillette Foamy Gel. Another category with unit volume gains was after-shave lotions, which advanced 7.7 percent.

Finally, the highest rate of gain in the HBA department for this period was in skin care aids. Four-week unit sales of skin care aids were 1.4 million, or 13.3 percent ahead of 1982. The highest percentage gain was 35.3 percent for lip care products, while the highest increase in unit volume was 648,000 in the hand & body cream/lotions category. Cosmetic and medicated skin aids advanced 10.5 percent and facial preparations had a small loss of –1.8 percent. The 8.7 percent gain for suntain lotions/suntan oils does not translate to many sales dollars during the October reporting period.

Overall, HBA volume has been showing consistent growth as 1983 has progressed. Forward momentum, if nothing else, should bring the year to a bullish close. ■

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO		
	4 WEEKS ENDING [illegible]	4 WEEKS ENDING [illegible]	4 WEEKS ENDING 10/14/83

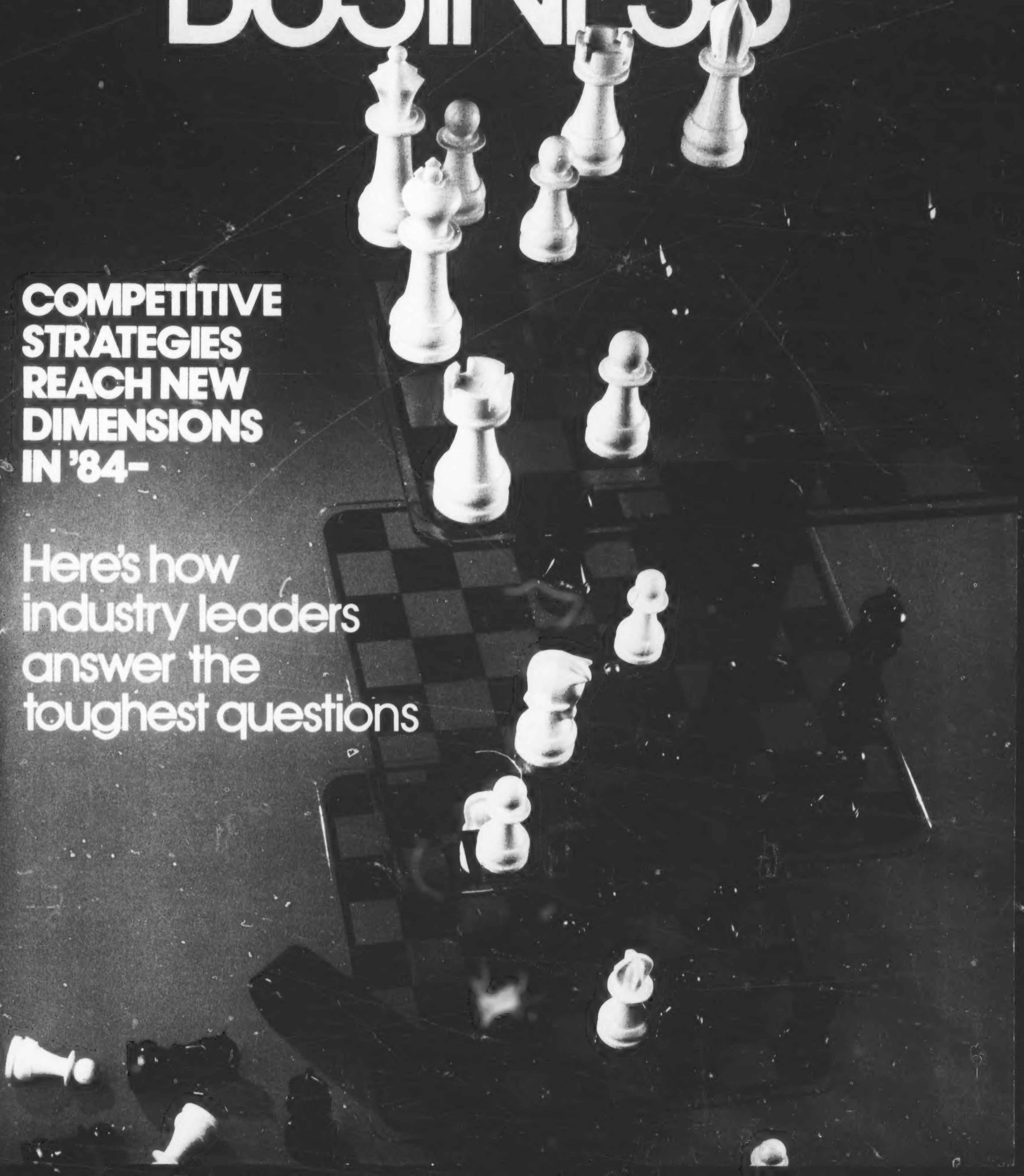

new
Blistex
MEDICATED
LIP OINTMENT
FOR DRY CHAPPED LIPS
FOR COLD SORES
Helps prevent and relieve cold sores (herpes), fever blisters, sunburned lips
Blistik
MEDICATED
LIP BALM
FOR DRY CHAPPED LIPS
WITH A PABA SUNSCREEN PROTECTION
Helps prevent and relieve dryness, chapping from sun, wind and cold.
LIP CONDITIONER
for DRY CHAPPED LIPS
Blistex

7/16/84
C 3475-1A

SUPERMARKET BUSINESS

$3.50
PER COPY

VOLUME 39/NUMBER 1
JANUARY 1984



COMPETITIVE STRATEGIES REACH NEW DIMENSIONS IN '84–

Here's how industry leaders answer the toughest questions

SUPERMARKET BUSINESS

VOLUME 39
NUMBER 1
JANUARY 1984

PUBLISHER:
Jeffrey A. Schaeffer
EDITOR:
Kenneth P. Partch
EXECUTIVE EDITOR:
Carol Fensholt
SENIOR EDITOR:
Douglas T. Harris, Jr.
MANAGING EDITOR:
Robert J. Hughes
ASSOCIATE EDITOR:
Sarah Lum
ASSISTANT EDITOR:
Marianne Skoczek
ART ASSISTANT:
Karen Sockler
CONTRIBUTING EDITORS:
Management: **Daniel J. Bartz**
Marketing: **Len Daykin**
Meat: **Kenneth Johnson, John Francis**
Merchandising: **John Pagliaro**
Produce: **Barney H. McClure**
Store Engineering: **Jay Forrester**
Store Planning: **David Rogers**
Technology: **Richard Shulman**
Training: **Donald Stowbridge**
CIRCULATION MANAGER:
Virginia Bucci
PRODUCTION MANAGER:
Daniel Coakley
DIRECTOR OF PUBLICATION RESOURCES:
Norman Bussel
RESEARCH DEPARTMENT:
Norman Bussel
(914) 528-1369

ADVERTISING SALES:
EAST:
NORTHEAST REGIONAL SALES MANAGER:
Jack Driscoll
SOUTHEAST REGIONAL SALES MANAGER:
Al Greenberger
Fieldmark Media, Inc.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
CHICAGO:
MIDWEST DIVISION SALES MANAGER:
Dave Wishard
MIDWEST REGIONAL SALES MANAGER:
Allan Preiss
Fieldmark Media, Inc.
3530 W. Peterson Ave.
Chicago, Ill 60659
312-583-1318
WEST COAST:
Sue Marritt
Fieldmark Media, Inc.
15910 Ventura Blvd., Suite 800
Encino, Calif. 91436
818-783-5888

CORPORATE STAFF
FIELDMARK MEDIA, INC.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
212-354-5169
PRESIDENT:
Jeffrey A. Schaeffer
ADMINISTRATIVE MANAGER:
Catherine Cahill
BUSINESS MANAGER:
Eric Braunstein
CORPORATE DIRECTOR
SALES AND MARKETING:
Thomas M. Rigney

AFFILIATED PUBLICATION:
Milling & Baking News
Sosland Publishing Co.
Kansas City, Mo.

COVER PHOTOGRAPHY:
Topp Studios

SUPERMARKET BUSINESS Magazine (ISSN 0196-5700) is published monthly by Fieldmark Media, Inc., 25 W. 43rd St., New York, N.Y. 10036. Telephone: (212) 354-5169. Circulated free of charge to grocery retailers and wholesalers. U.S. subscriptions $32 per year; Canada, $37 per year. Foreign subscriptions $48. Single copies $3.50 except Consumer Expenditures Study (September issue) $15 per copy. (Discount prices available on multiple purchases.) Copyright © 1984 Fieldmark Media, Inc. All rights reserved. Second class postage paid at New York, N.Y., and additional mailing offices.

BPA ABP American Business Press Inc

PAGE 20

COMPETITIVE STRATEGIES REACH NEW DIMENSIONS IN '84— HERE'S HOW INDUSTRY LEADERS ANSWER THE TOUGHEST QUESTIONS

SUPERMARKET BUSINESS asked top people in the industry vital and timely questions, from the survival of the independent retailer in today's competitive marketplace, to the impact of super warehouse stores on the marketplace, to the shift to service departments to the growth of stores and even the phenomenon of bulk foods. The answers are provacative.

PAGE 32

GENERAL FOODS WANTS TO BE YOUR PREMIER FOOD COMPANY

"To me, being a premier company means being recognized as the leader in our industry by all our important constituencies," says GF's chairman and CEO Jim Ferguson. His growth plan for General Foods is ambitious. But for the man who has made GF a "different—but better—company than it was just three years ago," through solid acquisitions and shrewd readjustments, it's a plan that seems very likely to succeed.

PAGE 44

NONFOODS BUSINESS PUNCHING UP PROMOTIONS

Sensitive as nonfoods items are to impulse buying, promotions help. Retailers are taking a more assertive role in creating exciting promotions—and manufacturers are more flexible in collaborating.

PAGE 39

'AGGRESSIVE HOSPITALITY' IN TYLER, TEXAS

Strong service and very friendly staffs are the weapons here, for both the Brookshire Grocery Company—which has 40 percent of the market with eight stores—and Tom Thumb-Page, the newcomer.

FACING PAGE 52

SPECIAL SECTION: INSTORE BUSINESS*

This issue takes a look at how five retailers approach their markets differently with new bakeries and new delis that make strong statements about the stores they are part of.

*In selected editions only.

OTHER FEATURES AND COLUMNS

PAGE 5 EDITOR'S VIEW
PAGE 7 TRADESCAN
PAGE 15 TECHNOLOGY
PAGE 36 PRODUCE
PAGE 50 NEW PRODUCTS
PAGE 52 SAMI
PAGE 56 NEW PRODUCTS
PAGE 58 EXECUTIVE MOVES
PAGE 61 CALENDAR

TRADESCAN

Pharmacy Automation Forges Ahead

With perhaps as many as half of all new supers containing instore pharmacies, the drive is on among computer hardware and software firms to supply the wherewithall for system automation—such as is presently being done by Giant Foods (Landover, Md.). (See SB, Nov., 1983, p. 54.)

Two pairs of computer hardware and software producers have set their sights on carving big bites (bytes?) of the pharmacy automation business for themselves in 1984.

Sweda International, Inc., a division of Litton Industries, has teamed with Script Systems, Inc. (Hasbrouck Heights, N.J.) on the "complete in-house computer system" that the former, hardware-producing company, will begin marketing early this year to supermarkets.

Script's software package, which was designed in conjunction with a team of pharmacists and has already been successfully installed in more than 100 New York area pharmacies over the past several years, allows for the automation of many time-consuming or complicated operations. As well as handling prescription dispensing (including the preparation of labels, receipts and invoices), it also simplifies third-party insurance claims, provides patient profiles, drug interaction information and sales analyses.

Similar functions are available through the hardware/software package from Tec America and National Data Corporation. Initially being marketed to pharmacies outside supers, this package (which comprises Tec's scanning and central pricing control plus NDC's DataStat-PC pharmaceutical management systems) is equally applicable—and will eventually be marketed—to instore pharmacies, says Tec product manager Bea Wescott. ■

USDA Sees Beef Glut, Calls for Sharper Marketing

NEW YORK—Already-plentiful beef supplies are likely to reach glut proportions soon—and to stay near that level at least through the first half of the year, SB has been told by the USDA.

Last summer's drought and last year's payment-in-kind (PIK) program for farmers between them comprise one of the two significant factors forcing the beef glut. The other factor is the recently enacted federal dairy program designed more closely to match milk supplies with demand for dairy products.

The drought cut into grain crop yields at the same time supplies were being depleted as a result of PIK, which paid farmers not to grow grain. Many cattlemen consequently culled their herds and initiated the oversupply of beef early last fall.

The dairy program's impact can't be accurately predicted at this point, the USDA says, but a dairy market specialist there told SB that it could result, during the first half of the year, in 575 million additional pounds of beef on the retail market.

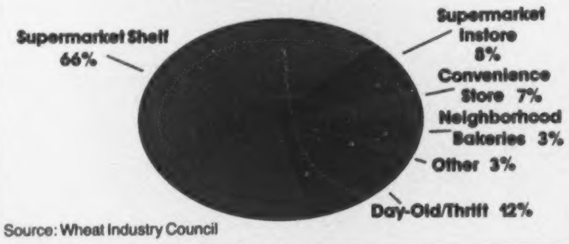
As a result, says the Agriculture Department's Cliff Carmen, a market information specialist, "I would certainly think it would be to (supermarkets') advantage to look at any means or methods to distinguish their products from any similar or like products in the marketplace."

A growing number of supers are doing just that, reports Ross Industries, Inc. (Midland, Va.). That company's mechanical bone-in tenderizer, which can improve the chewability of an entire carcass in roughly two minutes, now is in use in 500-plus supers, and more are expected to begin using it soon both on "no roll" (meaning, not USDA graded—but not necessarily meaning not "Choice" or "Prime" in quality) and on top graded beef sub-primals.

Among those already using the Ross machine, which employs hundreds of tiny surgical-like blades to sever meat's connecting tissue without altering its flavor, chemical structure or moisture content, are Giant Foods (Landover, Md.) and Publix (Lakeland, Fla.). The latter company reports the public is so pleased with the finished product that sales have increased 26 percent since their introduction of what they call "Flavor Lean" beef. ■

Study Examines American Shopping Patterns

Where Purchased Last Ten Loaves of White Bread



Source: Wheat Industry Council

ROCKVILLE, Md.—Shoppers are more concerned with freshness dates and with redeeming coupons than they are with using ingredient labels. Almost 75 percent of consumers use a shopping list and read newspaper ads to check for specials. These are just a few of the findings in the Wheat Industry Council's *Food, Nutrition and Dieting*, a study of American attitudes, habits, perceptions and myths. It follows last year's Advisor's Media Tour (see SB, August 1982, Baked Foods Merchandiser, p. 15A).

Conducted for the Council by Riter Marketing Research of Maryland and Market Facts of Chicago, the study measures consumer attitudes and practices with regard to both overall food consumption and nutrition knowledge and specific wheat foods in relation to other food groups. The representative sampling of 3,368 consumers was weighted to represent current U.S. population statistics.

Following are some more of the study's findings:

☐ Geographically, shoppers in the East and North have a greater tendency to redeem coupons and check ads than do those in other regions. Those in the South and West are the most likely to pay attention to ingredient labeling, while unit pricing is most prevalent in the East.

☐ The single most important item of label information for the consumer is product dating.

☐ Ingredient information is used by more consumers than is nutritional information, with 85 percent of those surveyed paying some or a lot of attention to it. Women, people with higher incomes and those with a high interest in nutrition are the most likely to read ingredient labels. Information most often looked for is sugar content, calorie level, salt content and additives/preservatives.

☐ A full 92 percent of shoppers prefer ingredients to be listed on a label using generic rather than technical terms. Terms such as nutrient density, trace minerals, empty calories and amino acids are understood by only a small percentage of the population.

☐ Instore bakeries are most prevalent in suburban and inner city areas of the North and East. In stores with bakeries, 59 percent of customers purchase fresh baked goods at least once a month, while 22 percent make purchases there every week. The average bakery shopper is somewhat older, has children and lives in the South.

☐ The news for wheat: Consumers have very positive perceptions of wheat when it is not considered as an ingredient of a more complex food, such as English muffins, pizza and pasta products. Among the non-wheat foods, fresh fruits, eggs, ground beef, chicken and whole milk received high marks for nutrition value and desirability. The Wheat Industry Council hopes to raise consumers' awareness of the benefits and true characteristics of wheat products. ■

Trend Towards Fewer Food Industry Mergers Continues

FAIR LAWN, N.J.—There were fewer mergers and acquisitions within the food industry July through September, continuing a previous, six-month trend (see "Fewer Food Mergers in '83," SB, Sept. 1983, p. 8). According to the latest data from the American Institute of Food Distribution (AIFD), during the first nine months of 1983 there was a total of 401 mergers and acquisitions, 59 less than the 460 recorded for the same period a year earlier.

In addition, the trend toward fewer multiple acquisitions—which accounts to some degree for the decreased number in the total transactions—"seems to be holding up," notes AIFD vice president Frank Panyko. Despite this leveling off, Panyko stresses that current industry merger activity continues to operate at a healthy level.

One area of the food business in which activity has increased is among supermarkets and convenience stores. Jan.-Sept., 1983 saw 16 transactions involving supermarkets, compared with 10 during these months in 1982. Among convenience stores, 14 transactions took place, up from six the year before.

One example of an acquisition involving two supermarket chains during the year's third quarter is A&P's purchase of Kohl's Food Stores in the Milwaukee, Wis., area. Through this transaction, A&P, which left Milwaukee some time ago and has since regenerated itself, gained an opportunity to re-establish itself in this market.

The majority of the supermarket acquisitions and mergers, however, involve consolidation of smaller chains, and are of little national, or industrial, concern. ■

NGA Meets This Month

RESTON, Va.—Independent retailers interested in learning about the issues and survival strategies that will be important in the next few years will be meeting in Orlando, Fla. later this month for the National Grocers Association's Mid-Winter Operations Conference (See Calendar, p. 60).

Between January 23 and the 25th, conference attendees will have the opportunity to hear panelists speak at, and to participate in, a variety of forums, workshops and general sessions which are consistent with the conference theme, "MARKET SHARE: Go For It!"

The Opening Address, given by Carroll Cheek of Great Scot of Florida, is entitled, "Are You Going to Let Big Business, Big Government and Big Labor Control Your Future?"

Issues to be covered in the nine workshops include: The future of the conventional supermarket, store image, promotional activities, bulk foods, the use of business computers and scanning and ATMs and EFT use by the independent retailer.

The conference's concluding forums focus on two dynamic types of food outlets: the warehouse store and the changing convenience store. ■

NonFoods
BUSINESS

SAMI UPDATE: HBA Sales Still Strong Near Year's End

HBA unit volume continues to rise, promising to make 1983 a banner year for food store sales of these products.

Aided by sales vitality in three out of four cold remedy categories, four-week food store HBA unit volume rose 5.1 percent during the 28 days ending November 11. This growth rate compares with a gain of 4.3 percent during the preceding period, and represents the second-highest increase so far in 1983, behind the 7.8 percent July increase.

Of the 49 HBA product categories that SAMI tracks, 31 had four-week national unit volume increases; 17 showed declines, while volume stayed even in the low-volume proprietary tranquilizer category. The only product group with a negative volume trend was baby needs, where total volume receded 3.4 percent.

Categories with the highest growth rates were eye care products (+34.2 percent), hair setting needs (+29.9 percent), internal analgesics (+18.9 percent) and hand and body creams and lotions (+18.8 percent).

Categories with the highest four-week loss rates were infant clothes (−17.6 percent), lip care products (−12.4 percent) and hair coloring needs (−8.8 percent).

Baby needs now show negative trends both on a four-week and a 52-week basis. The current four-week loss for baby powders is 6.2 percent. Baby oils, creams & lotions had shown a good gain in the preceding period but unit sales fell 4.5 percent in the November reporting period.

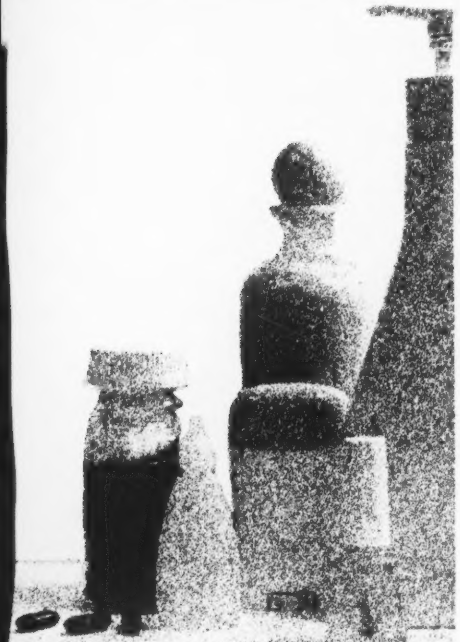
Rolling on

Deodorants as a product group moved ahead 6.0 percent, but there were four categories that exhibited unit volume declines versus the corresponding period a year earlier: spray deodorants (−4.6 percent), cream deodorants (−4.0 percent), feminine hygiene deodorants (−3.2 percent) and deodorant talcum powder (−2.7 percent). There were double-digit gains for foot deodorant and athlete's foot remedies (+15.5 percent), stick deodorants and pads (+14.1 percent) and roll-on deodorants (+10.8 percent). Four-week volume for feminine douches increased 5.3 percent.

Continuing a long-term growth trend, both first aid antiseptics and first aid products (bandages, adhesive tape, gauze, etc.) exhibited growth: +9.6 percent for antiseptics and +5.5 percent in the case of first aid products.

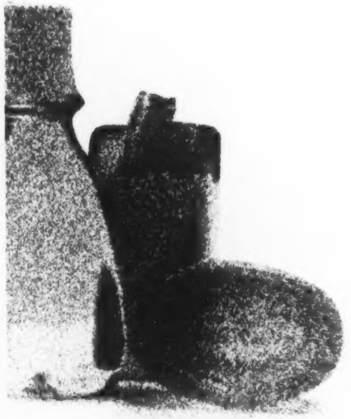
Among hair care needs,

NonFoods BUSINESS



HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO		
	4 WEEKS ENDING 9/16/83	4 WEEKS ENDING 10/14/83	4 WEEKS ENDING 11/11/83
BABY NEEDS	**+ 0.5%**	**+ 2.0%**	**− 3.4%**
Baby Powders	+ 4.3	+ 0.8	− 6.2
Baby Oils, Creams & Lotions	+ 3.9	+ 5.4	− 4.5
Infant Clothes	−17.0	−12.4	−17.6
Nursing Supplies	+ 1.2	+ 5.3	+ 5.8
DEODORANTS	**+11.5%**	**+ 9.9%**	**+ 6.0%**
Sprays	+ 5.5	+ 4.5	− 4.6
Roll-On	+ 14.3	+ 9.2	+10.8
Stick Deodorants & Pads	+18.6	+19.5	+14.1
Creams	− 0.5	− 1.4	− 4.0
Deodorants & Talcum Powders	+ 8.2	− 0.9	− 2.7
Feminine Hygiene Deodorants	11.0	− 9.8	− 3.2
Foot Deodorants & Athlete's Foot Remedies	+14.8	+14.6	+15.5
Feminine Douches	+ 9.3	+ 8.5	+ 5.3
FIRST AID	**+ 9.0%**	**+10.2%**	**+ 6.3%**
Antiseptics	+ 7.9	+14.7	+ 9.6
First Aid Products	+ 9.3	+ 9.1	+ 5.5
HAIR CARE NEEDS	**+ 0.7%**	**+ 3.0%**	**+ 1.9%**
Shampoos	+ 1.6	+ 3.7	+ 2.9
Hair Sprays	+ 1.3	+ 8.4	+ 7.4
Hair Conditioning Rinses	− 3.8	− 4.6	− 4.6
Hair Setting Needs	+20.0	+22.8	+29.9
Home Permanent Kits	+ 2.5	± 0.0	− 6.0
Hair Coloring	− 1.2	− 0.0	− 8.8
Hair Dressing Needs	+ 5.8	+ 7.4	+ 5.6
ORAL HYGIENE	**+ 5.0%**	**+ 6.1%**	**+ 2.7%**
Toothpastes & Powders	+ 7.7	+ 8.3	+ 3.9
Mouthwashes	− 3.4	− 0.4	− 1.2
Breath Fresheners	− 0.3	+11.2	+ 0.8
Denture Cleaners	+ 4.1	+ 2.2	− 0.9
Denture Adhesives	− 1.1	+ 2.9	− 0.8
Toothbrushes	+ 4.8	+ 5.6	+ 4.2
PROPRIETARY REMEDIES	**− 2.3%**	**+ 1.7%**	**+ 8.7%**
Antacids	+ 0.7	− 1.2	+ 3.3
Internal Analgesics	+ 7.7	+10.0	+18.8
External Analgesics	+ 1.5	+ 0.1	+ 3.9
Cold Tablets	−13.1	+ 1.5	+12.7
Nasal Sprays—Drops—Inhalers	−10.9	− 1.6	+ 4.3
Chest Rubs	−19.8	− 2.7	− 1.9
Cough Remedies	−22.3	− 9.0	+ 4.3
Laxatives	+ 2.2	+ 7.0	+ 4.5
Sleeping Aids	+15.1	+ 9.3	+16.3
Tranquilizers	−20.9	−13.2	− 0.0
Vitamins	+ 5.8	+19.1	+12.5
Eye Care Products	+13.4	+30.2	+35.2
SHAVING NEEDS	**+ 2.2%**	**− 0.7%**	**+ 1.0%**
Shaving Creams	+17.4	+19.9	+10.0
Pre-Shave Lotions	+ 4.7	+ 3.4	+ 6.2
After-Shave Lotions	+11.7	+ 7.7	+12.2
Razor Blades	− 3.4	− 8.6	− 3.7
Razors & Blades	− 10.9	− 3.9	+ 0.6
SKIN CARE AIDS	**+ 5.3%**	**+13.3%**	**+ 6.6%**
Hand & Body Creams & Lotions	− 0.7	+16.9	+18.8
Facial Preparations	− 4.2	− 1.8	− 2.0
Lip Care Products	+20.5	+35.3	−12.4
Suntan Lotions & Oils	+12.4	+ 8.7	+ 8.8
Cosmetic & Medicated Skin Aids	+13.5	+10.5	+ 6.2
TOTAL ALL CATEGORIES	**+ 2.5%**	**+ 4.3%**	**+ 5.1%**



which as a group grew 1.9 percent, the same three categories with annual loss rates showed further declines during the four-week period: hair coloring (−8.8 percent) home permanent kits (−6.0 percent) and hair conditioning rinses (−4.6 percent). The 29.9 percent growth rate for hair setting needs is on a small volume base. Unit sales in this category account for less than one percent of total hair care needs. The 7.4 percent increase for hair sprays represents the highest four-week gain rate in this category in many months. There is also continuing growth for hairdressing needs, particularly ethnic offerings.

In a lather

Shampoo volume was ahead 2.9 percent but the four-week growth rate lags behind the annual level of increase of 4.1 percent in this high volume category, where there are always important new product activities.

The six oral hygiene categories combined had a 2.7 percent bounce in volume, somewhat less than the 6.1 percent gain recorded in the preceding period. There were three categories with minimal volume dips—mouth wash, off 1.2 percent, denture cleaners, down 0.9 percent and denture adhesives, showing a 0.8 percent loss. The most important gains were for toothbrushes (+4.2 percent) and tooth paste and powder (+3.9 percent).

The product group registering the strongest four-week unit sales performance was proprietary remedies. The only loss here was a small drop of −1.9 percent for chest rubs. The gain of 18.8 percent for internal analgesics represents improvement over the post-Tylenol scare period in the corresponding period a year ago. Both cold tablets and nasal sprays, drops, inhalers enjoyed sales vitality, and cough remedies had its first four-week gain in several months. Vitamin sales continue to rise. Eye care products sales jumped 35.2 percent, and this category has the highest rates of gain of any monitored by SAMI, for the 52-, 12- and four-week intervals. New contact lens items have contributed to much of the gain. Sleeping aid sales through food stores increased 16.3 percent, but this growth was on a relatively small volume basis. The growth rate among laxatives and stool softeners has been consistent at the four to five percent level.

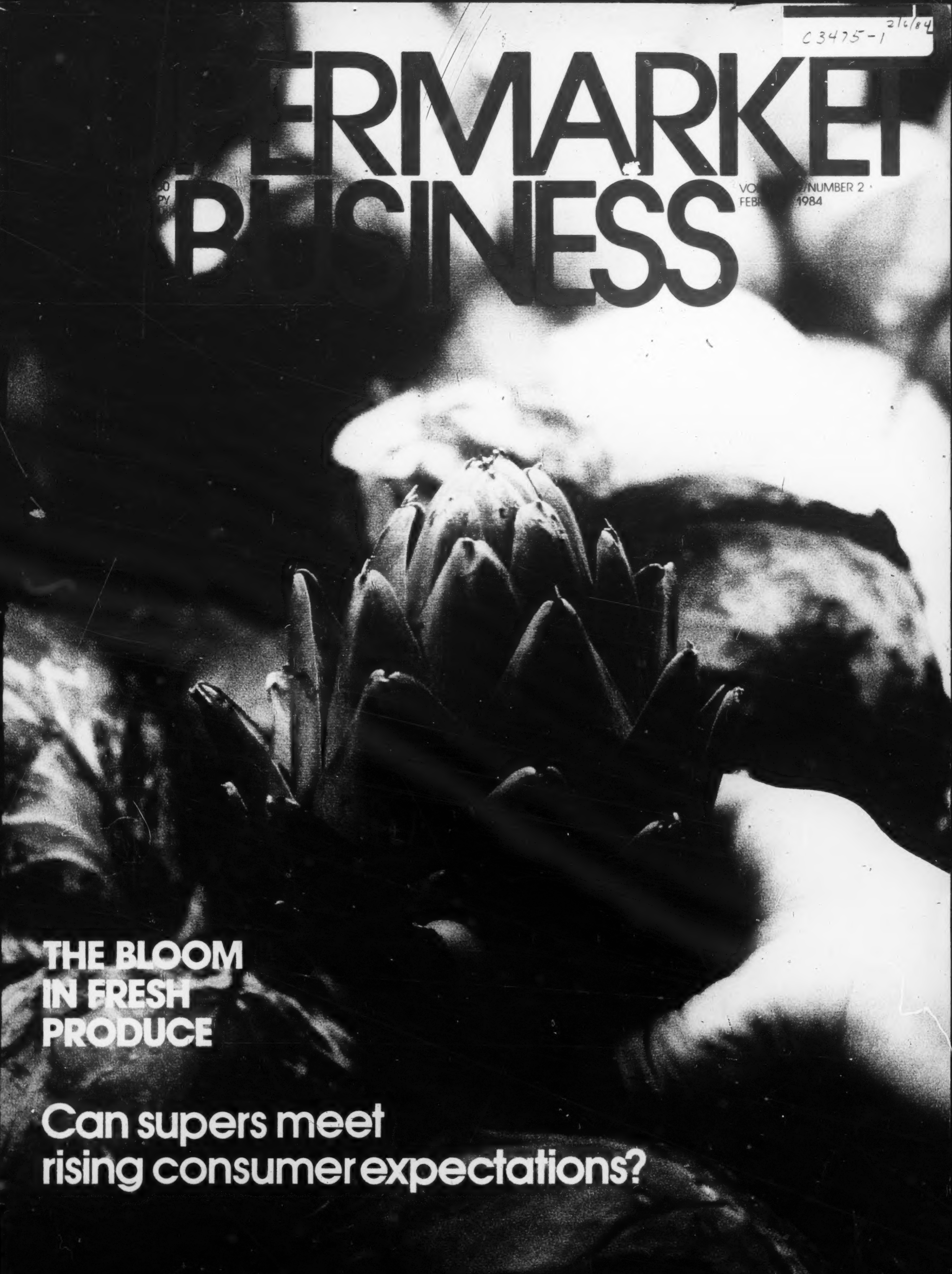
In shaving needs, the four-week growth rate amounted to only 1.0 percent. Razor blade volume declined 3.7 percent, but there was strong performance for after shave lotions (+12.2 percent), shaving creams (+10.0 percent) and pre-shave lotions (+6.2 percent).

Epidermal needs

Finally, in the skin care aids product group, the score was 3-to-2 for category gains over losses. The weaknesses befell facial preparations (−2.0 percent) and lip care products (−12.4 percent). In the latter case, the minus trend contrasts with several periods marking strong volume gains. The highest volume category in this product group —hand and body creams/lotions —advanced 18.8 percent. This is a category, as is true with shampoos, in which an uninterrupted flow of new brands and items takes place, often expanding the size of the category. The 8.8 percent gain for suntan lotions and oils translates to few sales dollars in a November reporting period. The trend for cosmetic and medicated skin aids continues ahead in an upsurge that began in July.

It would appear that 1983 will end up as a banner year for the growth of health and beauty aids items in food stores. ■

C3475-1 2/6/84



ERMARKET
BUSINESS

VO /NUMBER 2
FEBR 1984

THE BLOOM IN FRESH PRODUCE

Can supers meet rising consumer expectations?

PUBLISHER:
Jeffrey A. Schaeffer
EDITOR:
Kenneth P. Partch
SENIOR EDITOR:
Douglas T. Harris, Jr.
MANAGING EDITOR:
Robert J. Hughes
ASSOCIATE EDITOR:
Sarah Lum
ASSISTANT EDITOR:
Marianne Skoczek
ART ASSISTANT:
Karen Sockler
CONTRIBUTING EDITORS:
Management: **Daniel J. Bartz**
Marketing: **Len Daykin**
Meat: **Kenneth Johnson, John Francis**
Merchandising: **John Pagliaro**
Produce: **Barney H. McClure**
Store Engineering: **Jay Forrester**
Store Planning: **David Rogers**
Technology: **Richard Shulman**
Training: **Donald Stowbridge**
CIRCULATION MANAGER:
Virginia Bucci
PRODUCTION MANAGER:
Daniel Coakley
DIRECTOR OF PUBLICATION RESOURCES:
Norman Bussel
RESEARCH DEPARTMENT:
Norman Bussel
(914) 528-1369

ADVERTISING SALES:
EAST:
NORTHEAST REGIONAL SALES MANAGER:
Jack Driscoll
SOUTHEAST REGIONAL SALES MANAGER:
Al Greenberger
Fieldmark Media, Inc.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
CHICAGO:
MIDWEST DIVISION SALES MANAGER:
Dave Wishard
MIDWEST REGIONAL SALES MANAGER:
Allan Preiss
Fieldmark Media, Inc.
3530 W. Peterson Ave.
Chicago, Ill. 60659
312-583-1318
WEST COAST:
Sue Marritt
Fieldmark Media, Inc.
15910 Ventura Blvd., Suite 800
Encino, Calif. 91436
818-7[illegible]3-5888

CORPORATE STAFF
FIELDMARK MEDIA, INC.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
212-354-5169
PRESIDENT:
Jeffrey A. Schaeffer
ADMINISTRATIVE MANAGER:
Catherine Cahill
BUSINESS MANAGER:
Eric Braunstein
CORPORATE DIRECTOR
SALES AND MARKETING:
Thomas M. Rigney

AFFILIATED PUBLICATION:
Milling & Baking News
Sosland Publishing Co.
Kansas City, Mo.

COVER PHOTOGRAPHY:
Carol Fensholt

SUPERMARKET BUSINESS Magazine (ISSN 0196-5700) is published monthly by Fieldmark Media, Inc., 25 W. 43rd St., New York, N.Y. 10036. Telephone: (212) 354-5169. Circulated free of charge to grocery retailers and wholesalers. U.S. subscriptions $32 per year; Canada, $37 per year. Foreign subscriptions $48. Single copies $3.50 except Consumer Expenditures Study (September issue) $15 per copy. (Discount prices available on multiple purchases.) Copyright © 1983 Fieldmark Media, Inc. All rights reserved. Second class postage paid at New York, N.Y., and additional mailing offices.

BPA ABP American Business Press Inc

SUPERMARKET BUSINESS

VOLUME 39
NUMBER 2
FEBRUARY 1984

PAGE 18
PRODUCE:
CAN SUPERS MEET RISING CONSUMER EXPECTATIONS?

In today's supermarket, produce variety is almost a given. We've gone far from basic vegetables and fruits into more exotic fare. But does everyone know how to prepare these items? Does everyone know how to sell them? The answer, increasingly, is no, to both questions. There's still a way to go before retailers are satisfied with selling what's become of one of the supermarkets biggest draws: good, and well-displayed, produce.

PAGE 24
TWO STUDIES SAY DOUBLE COUPONING DOESN'T PAY

It depends on whom you ask, if you're questioning the effectiveness of double couponing. One report says nothing happens, while another says store loyalty may decrease.

PAGE 28
CONSUMER AFFAIRS COMES OF AGE

Consumer affairs has risen from aggressive activism to almost being an institution now, when many of its hard-won advances are thankfully, almost, taken for granted. Here is a look at how the area has matured into a still vital, but increasingly diversified one.

PAGE 39
THE HUFFS GET TOUGH

Huff's Food Town survived nicely, thank you, as a small, singular independent, just outside of Nashville. But when two big gun competitors started to move in, action was needed. The result, a new, larger Huff's Food Town, across the street from the old one, complete with Huff's original brand of customer service, friendliness ... and loyalty.

PAGE 47
MAKING TOYS WORK

Selling toys anywhere isn't exactly kid stuff. The field is tricky and even fickle. But for supermarket retailers, it's even more of a hard sell. Still, some are trying. It takes a lot of work and not a little fondness for toys, and intuition.

PAGE 55
A LOOK AT CROSS MERCHANDISING

Shelf space has to be earned in any super. Sometimes, in a great many stores, many general merchandise lines can't earn enough for the retailer to justify a full GM department. An alternative, very successfully being practiced in some places, is cross merchandising—as a customer convenience.

PAGE 62
KING KULLEN GOES FOR THE BIG ONE

King Kullen's first super store, The Super Place, takes some of the service departments of its acclaimed Kullenary and goes further. It still offers plenty of service and high-quality specialty departments, but has also pushed into nonfoods. The results, so far, are highly successful.

OTHER FEATURES AND COLUMNS

PAGE 5 EDITOR'S VIEW
PAGE 8 TRADESCAN
PAGE 12 TECHNOLOGY
PAGE 44 PRODUCE
PAGE 51 SAMI
PAGE 56 NEW PRODUCTS
PAGE 58 EXECUTIVE MOVES
PAGE 59 NEW PRODUCTS

NonFoods BUSINESS

SAMI UPDATE: 1983 Draws to a Bullish Close for HBA

For the first time since SUPERMARKET BUSINESS started to report on four-week SAMI unit trends of HBA items moving through food stores, all of the 12 proprietary remedy categories were in the plus column. The sales vitality in these categories during the reporting period ending December 9, 1983 helped to keep the total volume in all categories measured by SAMI moving briskly ahead.

The rate of gain was 4.9 percent, just under the near-record jump of 5.1 percent seen in the preceding period. There were gains in each of the eight product groups and in 37 out of 49 different HBA product categories that SAMI tracks (not counting appetite suppressants new to the SAMI system within the past year). The only unit volume loss of any consequence was a four-week decline of 279,000 units in the hair conditioning rinse category. However, this 3.5 percent loss rate was the lowest during the past six months. New product activity in the hair conditioner category has not been sufficient to cause these products to grow in importance.

Babies weak

The weakest product group has been, and still is, baby needs. A strong four-week gain of 8.3 percent for nursing supplies prevented a loss rate for the product group a a whole. Four-week movement of baby powders fell 8.9 percent behind the corresponding period a year ago, while infant clothes' volume lagged 7.8 percent behind the 1982 pace.

There were three categories in the personal deodorant product group that showed negative four-week trends, paced by a loss of 5.2 percent for cream deodorants. Spray deodorant unit volume was down 1.8 percent in the face of gains of 14.5 percent for stick deodorants and 10.1 percent for roll-ons.

For the first time in many months, unit sales in the two SAMI first aid categories did not rise in tandem. Sales of first aid products (bandages, cotton, gauze etc.) declined 1.7 percent in the 28 days ending December 9, 1983.

Hair loss

Among hair care needs, the same three categories that showed up in the loss column in the previous period were still in there this time. Those were home permanent kits, hair coloring, and hair conditioning rinses which had losses of 4.8 percent, 4.0 percent, and 3.5 percent respectively. The highest gain rate was 31.0 percent in the low-volume hair-setting needs category, triggered by new item introductions.

There was only one category with a negative four-week trend in the oral hygiene product group: denture cleaners with a loss of 1.9 percent. Breath fresheners showed a gain of 29.6 percent, in this, the smallest of the six oral hygiene categories measured by SAMI.

There were five categories of proprietary remedies with double-digit rates of growth. Still riding high are eye care products, up 31.3 percent, followed by cold tablets (+25.0 percent), sleeping aids (+18.1 percent), vitamins (+14.3 percent), and internal analgesics (+11.4 percent).

Razor blade unit sales have been showing continuing rates of loss, but the .5 percent decline in the most recent reporting period represents an improvement over the losses seen during recent months. Among shaving needs the most impressive gain rates were among after shave lotions (+13.5 percent) and shaving creams (+11.2 percent).

Losing face

The only four-week unit loss among the five skin care aids categories monitored by SAMI was a miniscule dip of half a percent for facial preparations. This loss rate represents an improvement over the trends during the past several months. The highest four-week gain rate was 94.6 percent in the case of suntan lotion/suntan oil, but during the November and December weeks, volume changes in this category are on a small base. Four-week unit sales of lip care products rose 10.4 percent. The most significant trend change occurred in the hand & body cream/lotions category where sales rose only 2.1 percent in comparison with gains of more than 15 percent in the two immediately prior SAMI reporting periods.

In 1982, the final quarter was a turbulent period for a number of brands as a result of the Tylenol scare. Fortunately, there was no such trauma experienced as 1983 drew to a bullish close. ■

HEALTH & BEAUTY AIDS SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

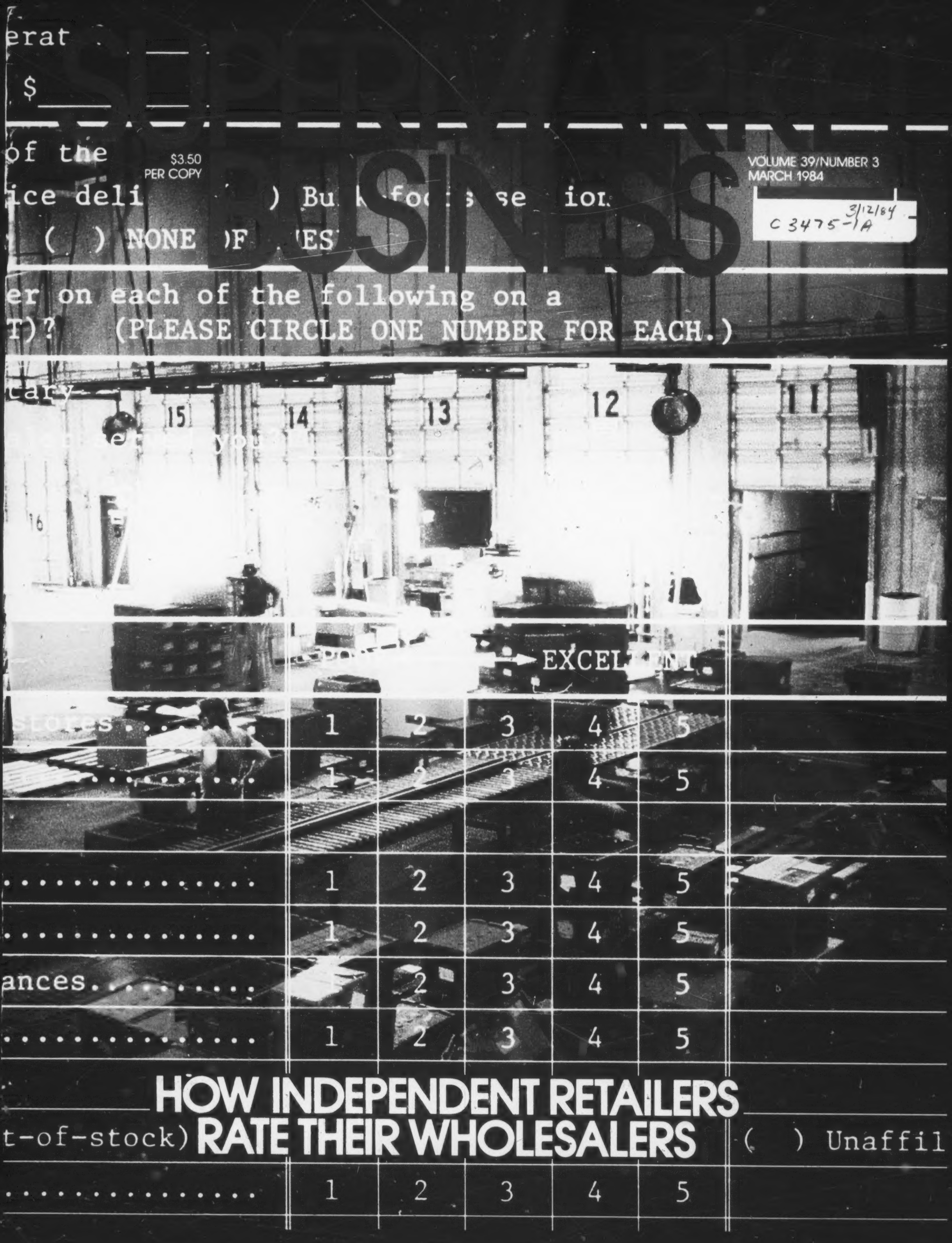
PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO		
	4 WEEKS ENDING 10/14/83	4 WEEKS ENDING 11/11/83	4 WEEKS ENDING 12/9/83
BABY NEEDS	**+ 2.0%**	**− 3.4%**	**+ 0.5%**
Baby Powders	+ 0.8	− 6.2	− 8.9
Baby Oils, Creams & Lotions	+ 5.4	− 4.5	+ 1.0
Infant Clothes	− 2.4	− 17.6	− 7.8
Nursing Supplies	+ 5.3	+ 5.8	+ 8.3
DEODORANTS	**+ 9.9%**	**+ 6.0%**	**+ 7.3%**
Sprays	+ 4.5	− 4.6	− 1.8
Roll-On	+ 9.2	+ 10.8	+ 10.1
Stick Deodorants & Pads	+ 19.5	+ 14.1	+ 14.5
Creams	− 1.4	− 4.0	− 5.2
Deodorants & Talcum Powders	− 0.9	− 2.7	+ 5.9
Feminine Hygiene Deodorants	− 9.8	− 3.2	− 0.9
Foot Deodorants & Athlete's Foot Remedies	+ 14.6	+ 15.5	+ 13.9
Feminine Douches	+ 8.5	+ 5.3	+ 7.4
FIRST AID	**+ 10.2%**	**+ 6.3%**	**+ 0.8%**
Antiseptics	+ 14.7	+ 9.8	+ 10.9
First Aid Products	+ 9.1	+ 5.5	− 1.7
HAIR CARE NEEDS	**+ 3.0%**	**+ 1.9%**	**+ 2.0%**
Shampoos	+ 3.7	+ 2.9	+ 3.5
Hair Sprays	+ 8.4	+ 7.4	+ 3.5
Hair Conditioning Rinses	− 4.6	− 4.6	− 3.5
Hair Setting Needs	+ 22.8	+ 29.9	+ 31.0
Home Permanent Kits	± 0.0	− 6.0	− 4.8
Hair Coloring	− 0.0	− 8.8	− 4.0
Hair Dressing Needs	+ 7.4	+ 5.6	+ 6.6
ORAL HYGIENE	**+ 6.1%**	**+ 2.7%**	**+ 3.0%**
Toothpastes & Powders	+ 8.3	+ 3.9	+ 1.1
Mouthwashes	− 0.4	− 1.2	+ 8.1
Breath Fresheners	+ 11.2	+ 0.8	+ 29.6
Denture Cleaners	+ 2.2	− 0.9	− 1.9
Denture Adhesives	+ 2.9	− 0.8	+ 0.7
Toothbrushes	+ 5.6	+ 4.2	+ 7.3
PROPRIETARY REMEDIES	**+ 4.7%**	**+ 8.7%**	**+ 8.2%**
Antacids	− 1.2	+ 3.3	+ 3.6
Internal Analgesics	+ 10.0	+ 18.8	+ 11.4
External Analgesics	+ 0.1	+ 3.9	+ 7.5
Cold Tablets	[illegible]	+ 12.7	+ 25.0
Nasal Sprays—Drops—Inhalers	− 1.6	+ 4.3	+ 6.0
Chest Rubs	− 2.7	− 1.9	+ 9.2
Cough Remedies	− 9.0	+ 4.3	+ 1.5
Laxatives	+ 7.0	+ 4.5	+ 3.4
Sleeping Aids	+ 9.3	+ 16.3	+ 18.1
Tranquilizers	− 13.2	− 0.0	+ 0.4
Vitamins	+ 19.1	+ 12.5	+ 14.3
Eye Care Products	+ 30.2	+ 35.2	+ 31.3
SHAVING NEEDS	**− 0.7%**	**+ 1.0%**	**+ 3.6%**
Shaving Creams	+ 19.9	+ 10.0	+ 11.2
Pre-Electric Lotions	+ 3.4	+ 4.2	+ 5.6
After Shave Lotions	+ 7.7	+ 12.2	+ 13.5
Razor Blades	− 8.4	− 3.2	− 0.5
Razors & Blades	− 3.9	+ 0.6	+ 8.4
SKIN CARE AIDS	**+ 13.2**	**+ 6.6%**	**+ 4.5%**
Hand & Body Creams & Lotions	+ 15.9	+ 15.5	+ 2.1
Facial Preparations	− 1.3	− 2.0	− 0.5
Lip Care Products	+ 0.3	− 12.0	+ 10.4
Suntan Lotions & Oil	+ 8.7	+ 6.[illegible]	+ 94.6
Cosmetic & Medicated Skin Aids	+ 10.5	+ 6.2	7.3
TOTAL ALL CATEGORIES	**+ 4.3%**	**+ 5.1%**	**+ 4.9%**

SUPERMARKET BUSINESS

$3.50 PER COPY

VOLUME 39/NUMBER 3
MARCH 1984

3/12/84
C 3475-1A


erat
$
of the
ice deli ( ) Bulk foods section
( ) NONE OF THESE
er on each of the following on a
T)? (PLEASE CIRCLE ONE NUMBER FOR EACH.)
tary
15
14
13
12
11
16
POOR
EXCELLENT
stores........ 1 2 3 4 5
.... 1 2 3 4 5
.... 1 2 3 4 5
.... 1 2 3 4 5
ances.......... 1 2 3 4 5
.... 1 2 3 4 5
t-of-stock)
( ) Unaffil
.... 1 2 3 4 5

HOW INDEPENDENT RETAILERS RATE THEIR WHOLESALERS

PUBLISHER:
Jeffrey A. Schaeffer
EDITOR:
Kenneth P. Partch
SENIOR EDITOR:
Douglas T. Harris, Jr.
MANAGING EDITOR:
Robert J. Hughes
ASSOCIATE EDITOR:
Sarah Lum
ASSISTANT EDITOR:
Marianne Skoczek
ART ASSISTANT:
Karen Sockler
CONTRIBUTING EDITORS:
Meat: **Kenneth Johnson, John Francis**
Produce: **Barney H. McClure**
Technology: **Richard Shulman**
CIRCULATION MANAGER:
Virginia Bucci
PRODUCTION MANAGER:
Daniel Coakley
DIRECTOR OF PUBLICATION RESOURCES AND RESEARCH:
Norman Bussel
(914) 528-1369
ADVERTISING SALES:
EAST:
NORTHEAST REGIONAL SALES MANAGER:
Jack Driscoll
SOUTHEAST REGIONAL SALES MANAGER:
Al Greenberger
EASTERN REGION ACCOUNTS MANAGER:
Jerry Whitman
Fieldmark Media, Inc.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
CHICAGO:
MIDWEST DIVISION SALES MANAGER:
Dave Wishard
MIDWEST REGIONAL SALES MANAGER:
Allan Preiss
Fieldmark Media, Inc.
3530 W. Peterson Ave.
Chicago, Ill. 60659
312-583-1318
WEST COAST:
Sue Merritt
Fieldmark Media, Inc.
15910 Ventura Blvd., Suite 800
Encino, Calif. 91436
818-783-5888

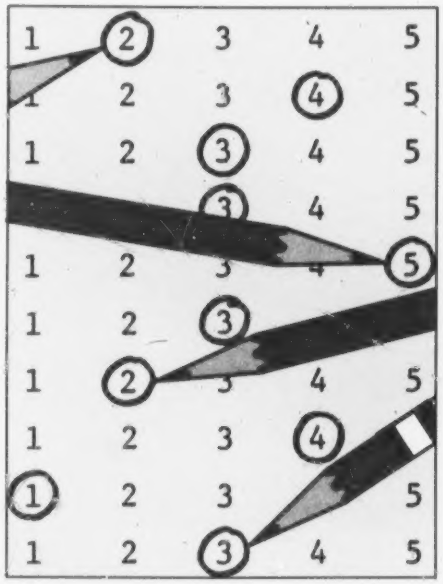
CORPORATE STAFF
FIELDMARK MEDIA, INC.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
212-354-5169
PRESIDENT:
Jeffrey A. Schaeffer
ADMINISTRATIVE MANAGER:
Catherine Cahill
BUSINESS MANAGER:
Eric Braunstein
CORPORATE DIRECTOR SALES AND MARKETING:
Thomas M. Rigney
AFFILIATED PUBLICATION:
Milling & Baking News
Sosland Publishing Co.
Kansas City, Mo.

SUPERMARKET BUSINESS Magazine (ISSN 0196-5700) is published monthly by Fieldmark Media, Inc., 25 W. 43rd St., New York, N.Y. 10036. Telephone: (212) 354-5169. Circulated free of charge to grocery retailers and wholesalers. U.S. subscriptions $32 per year; Canada, $37 per year. Foreign subscriptions $48. Single copies $3.50 except Consumer Expenditures Study (September issue) $15 per copy. (Discount prices available on multiple purchases.) Copyright © 1984 Fieldmark Media, Inc. All rights reserved. Second class postage paid at New York, N.Y., and additional mailing offices.

BPA ABP American Business Press Inc

SUPERMARKET BUSINESS

VOLUME 39
NUMBER 3
MARCH 1984



PAGE 25
HOW INDEPENDENT RETAILERS RATE THEIR WHOLESALERS

It's getting harder and harder these days, with the competition getting bigger and stronger, for an independent to try to grow in the market. But because he must grow to survive, he has to find ways of how to improve his skills. He relies a great deal on the ability and aggressiveness of a wholesaler. In order to gauge the relationship between the independent and his wholesaler, SB surveyed randomly selected owner/operators. We received a remarkable response rate to this survey—proof that the independent operator is extremely concerned about his future—and his wholesaler. The results of the survey are eyeopening.

PAGE 33
PETE FOY SPEAKS HIS MIND

The president of Certified Grocers of Florida doesn't mince words when it comes to the business: whether it's the future of co-ops, the nature of his marketplace, or company management. In a far-ranging interview with SB Editor Ken Partch, Foy lets readers share some of his most trenchant comments on the supermarket industry.

PAGE 42
GIANT: GIVING SERVICE A NEW, GRAND SCALE

Taking the singular service approach of its upscale Someplace Special, Giant has gone a step further. By incorporating elements of the earlier store into a new, spectacular super store, Giant gives a whole new scope to service.

PAGE 53
NONFOODS BUSINESS: ETHNIC HBA—GAINS GIVE GROWING PAINS

Ethnic health and beauty aids is one of the fastest-growing categories in nonfoods, but for supermarkets it can be a trying experience. This is largely because of the newness of a lot of the companies involved and their inexperience in dealing with the needs of large stores. As retailers cope with the situation, they find that ethnic HBA, despite its service drawbacks, can definitely be a worthwhile, and often necessary addition to the HBA section as a whole.

PAGE 65
GM/HBA PRACTICES IN FOOD RETAILING

A study commissioned by FMI attempts to understand how GM/HBA items can be more effectively used in the supermarket, regardless of format. It also reveals that different retailers have different views on classifying GM or HBA items.

PAGE 86
ON THE WATERFRONT

Pathmark's new, controversial store in lower Manhattan, on the edge of Chinatown, is stirring up the neighborhood. With 42,000-square feet of space, and more checkouts than anyone has dared expect in New York City, it ought to.

OTHER FEATURES AND COLUMNS

PAGE 5 EDITOR'S VIEW
PAGE 7 PUBLISHER'S NOTE
PAGE 11 TRADESCAN
PAGE 20 TECHNOLOGY
PAGE 57 SAMI
PAGE 60 NEW PRODUCTS
PAGE 75 NEW PRODUCTS
PAGE 76 EXECUTIVE MOVES
PAGE 79 PRODUCE
PAGE 82 NEW PRODUCTS
PAGE 83 EQUIPMENT
PAGE 84 CALENDAR

HOW INDEPENDENT RETAILERS RATE THEIR WHOLESALERS

Fundamental changes in grocery retailing are having an enormous impact on independents and their wholesalers. The big are getting bigger, while it's becoming more and more difficult for the small to survive, whether wholesaler or retailer. The giant wholesaler can grow through acquisition and through offering more and more sophisticated services—from technology to market research.

All real growth, for both wholesalers and retailers, depends upon *retail* growth. For the independent, this growth can be hard to come by, yet he must find ways to improve his operational and merchandising skills, to compete successfully against new store formats capable of servicing wider and wider trading areas. He is dependent, therefore, to a greater extent than ever before, on the ability and aggressiveness of his wholesaler.

In order to try to gauge the present tenor of interrelations between Wholesaler and retailer, SUPERMARKET BUSINESS surveyed independent retailers among voluntary groups, retail co-operatives and those who are unaffiliated. The survey was conducted during the first week of February, among 1,500 randomly selected owners/operators. More than 500 questionnaires were returned, for a rate of response of 34 percent—the largest percentage of return for any survey this magazine has ever conducted.

Independents were asked to rate their wholesaler's performance according to 11 criteria, on a scale from poor to excellent. They were then asked whether or not specific services were offered, if they used the services and then to rate the quality of the service used on a scale from poor to excellent. These responses were then calculated into percentage ratings.

Responses of members of co-operatives and voluntaries are ranked and rated separately for each criterion of performance and service offered. While overall performance ratings for cooperatives and voluntaries were very close, there are significant differences in performance of certain criteria. ■

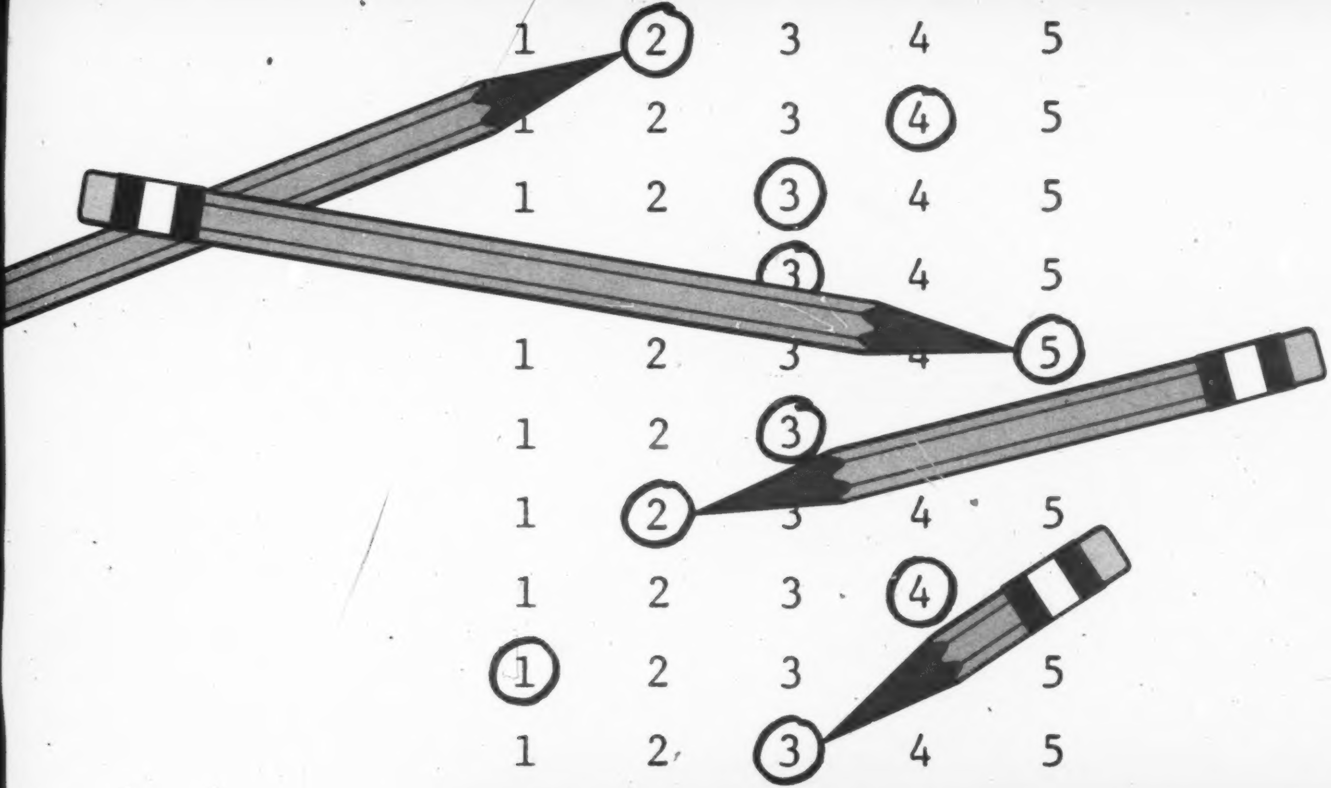
Independent customers of voluntary warehouses score their overall performance at 73.1, reflecting the fact that most of the respondents accord them one of the top two ratings on a five-point scale. The four factors in which they find least merit in their supplier's actions are the same as those noted by stores serviced by co-operative warehouses: vendor relations, communications from the warehouse, new items and service levels. On warehouse treatment of independents vis-a-vis corporately owned stores (not, of course, asked co-op members), the 72.0 rating reflects a generally high level of approval.

MEMBERS OF VOLUNTARIES

1	Fair minimum-load requirements	84.0
3	Product cost (competitiveness)	74.8
5	Number of deliveries per week	71.1
7	Pass-through of deals and allowances	69.3
9	Communications between warehouse and store	65.9
11	Adequate service levels (low out-of-stock)	63.5

What retailer services are in greatest demand from wholesalers?

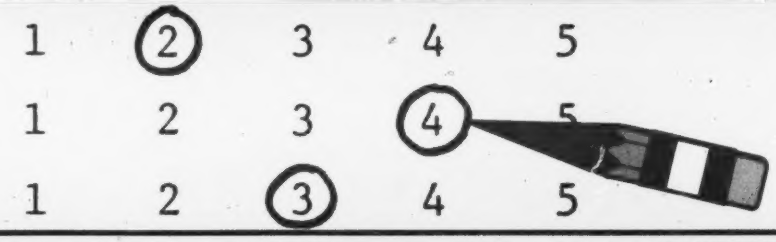
[illegible]



Independents give their cooperative warehouse a supportive 74.8 average rating on overall performance. Enthusiasm is even higher for three factors relating to warehouse-to-store deliveries: minimum load standards, frequency and punctuality. Also winning scores higher than that for overall performance are handling of deals and allowances and competitiveness of their pricing structure, two factors that relate directly to the independents' financial well-being.

MEMBERS OF CO-OPS

1	Fair minimum-load requirements	**81.5**
[illegible]	[illegible]	[illegible]
3	Number of deliveries per week	**79.0**
[illegible]	[illegible]	[illegible]
5	On-time deliveries	**76.5**
[illegible]	[illegible]	[illegible]
7	Handling of new items	**68.0**
[illegible]	[illegible]	[illegible]
9	Communications between warehouse and store	**62.8**
10	[illegible]	[illegible]
	OVERALL RATING OF WHOLESALER PERFORMANCE	**74.8**



people on the staff just to handle electronic services. We've picked up new customers recently just because of our computer services, and it makes no difference what make of scanners they have or want. It's more complicated for us but it's a lot more flexible for the

"Even though we're in the big warehouse store business with our Cub program, we also have programs to help the retailer compete against big warehouse stores. While he can't compete head-on against a labor cost of six percent, there are things he can do and that we can do to help him with in terms of personal service and image. It has to be emphasized that 90 percent of the business that we do is with conventional supermarkets."
—Glenn R. Arnold,
vp and director of
retail development
J.M. Jones, Champaign, Ill.
(Super Valu, IGA stores)

"Retailers are looking for more help in sales projections, sales per manhour and department performance, in meat and produce, for example. They want to know the shrink factor, and whether it is tolerable. They're more interested in productivity, operations and return on

INDEPENDENTS' USE OF SERVICES OFFERED BY COOPERATIVE WHOLESALERS

(% of Independents)

	Available from Warehouse		Independent Uses (where offered)		Performance Rating	
	%	Rank	%	Rank	Rating	Rank
Private label line	100	1	100	1	82.0	1
Rebate policy	100	1	100	1	80.4	2
Frozens	99	3	98	3	76.8	3
Suggested retail price structure	98	4	79	10	72.3	8
Advertising services	97	5	60	18	66.9	4
Meat	97	5	91	5	74.4	5
Equipment purchase	94	7	88	7	75.0	4
Generic line	93	8	94	4	67.7	12
Store layout	92	9	79	10	66.4	15
Group store advertising identity	90	10	56	20	66.0	16
Produce	89	11	90	6	69.6	11
Remodel planning/engineering	88	12	79	10	67.2	13
Site selection	75	13	56	20	64.0	17
Scanning advice/support	72	14	37	26	*	*
Financing	71	15	63	15	70.8	9
Accounting services	69	16	43	23	74.2	6
Merchandising themes/support	68	17	85	8	63.8	18
Bakery programs	64	18	62	16	61.3	20
Training programs	57	19	82	9	61.7	19
Host computer tie-in	51	20	23	28	*	*
Service deli programs	51	20	61	17	60.3	21
Coupon processing	45	22	57	19	74.0	7
Formalized space allocation program	44	23	76	13	70.2	10
Bulk foods supply	37	24	26	27	*	*
Store inventory management	36	25	42	24	*	*
Energy management	27	26	42	24	*	*
Sunday delivery	25	27	44	22	*	*
Labor relations	20	28	65	14	*	*

Out of 28 services sometimes offered by wholesalers, 21 are available to at least half of the independents supplied by cooperative warehouses. While virtually all independents say they are offered a private line, frozens and meat, the rate falls off slightly for generics (93%) and produce (89%); and more precipitously for bakery programs (64%), service deli programs (51%), and bulk-foods (37%). Where the product line is offered, more than 9 in 10 take private label, frozens, generics, meat and produce, and among these five lines produce and generics are rated lowest among their users. Only about six in 10 subscribe to the service deli and bakery lines when they're available, and their enthusiasm for their "wholesaler's performance" with those lines is below the all-factor average.

investment than they used to be.

"As a result, we've started to work a lot with microcomputers at the store level and the warehouse level. We sell the hardware and show the retailers how to use it. They have a choice on equipment, and we provide the software. The most popular uses for the computers are in projecting sales volume, and allocating manhours needed to do a job profitably, with good service, for each department. In some areas, the two-week sales can vary [illegible].

"To help retailers stay competitive, we emphasize perishables. That's where they can be unique, with quality, value and service. We have programs for salad bars, ethnic setups and [illegible] boutiques."

—[illegible],
president and CEO,
[illegible],
Cumberland, RI

"An important new service for us, as a co-op, is site development. We formed a new company, United Grocers Development, to actually develop sites, not just select them."

—[illegible] Jones,
president,
United Grocers, [illegible]
[illegible], OR

INDEPENDENTS' USE OF SERVICES OFFERED BY VOLUNTARY WHOLESALERS

(% of independents)

	Available from Warehouse		Independent Uses (where offered)		Performance Rating	
	%	Rank	%	Rank	Rating	Rank
[illegible]	100	1	84	8	70.1	10
Private label lines	100	1	100	1	78.0	2
[illegible]	100	1	91	6	70.8	7
[illegible]	99	4	97	3	71.0	6
[illegible]	98	5	80	13	68.2	13
[illegible]	98	5	99	2	78.4	1
Meat	97	7	93	4	66.2	16
[illegible]	97	7	84	8	69.1	12
[illegible]	95	9	93	4	64.4	18
[illegible]	94	10	84	8	63.4	20
[illegible]	93	11	72	15	75.7	3
[illegible]	91	12	82	12	72.4	5
[illegible]	84	13	38	25	64.5	17
Training programs	83	14	84	8	62.5	21
Site selection	82	15	66	17	70.2	9
Bakery programs	80	16	63	20	60.4	23
Service deli programs	79	17	64	19	56.9	24
Produce	79	17	89	7	66.7	15
Financing	79	17	49	23	64.4	18
Coupon processing	76	20	74	14	75.0	4
[illegible]	64	21	37	26	*	*
[illegible]	62	22	72	15	68.1	14
[illegible]	56	23	65	18	70.5	8
[illegible]	48	24	49	23	62.5	21
[illegible]	47	25	56	22	69.6	11
[illegible]	32	26	61	21	*	*
[illegible]	23	27	19	27	*	*

What do private label lines and frozens have in common? In the case of independents supplied from voluntary warehouses, both lines are offered by and taken from their warehouses by virtually all stores and win outstanding ratings as to "wholesaler performance." Produce, by comparison, is available from the grocery supplier to only eight out of 10 stores, accepted where offered by nine out of 10, and garners a comparatively lukewarm rating among those using that source. Even worse are service deli and bakery programs, which are in a dead heat for lowest rated wholesaler performance among all the factors. Independents are more generous in their rating of such wholesaler services as accounting, store inventory, coupon processing and site selection

[illegible]

NonFoods BUSINESS

"INSIGHTS FOR TOP MANAGEMENT AND THE GM/HBA SPECIALIST"

Ethnic HBA:

GAINS BRING GROWING PAINS

Because so many of the ethnic HBA manufacturers are small, and still unused to dealing with retailers, supermarket operators are finding it a difficult field. It is a field growing in importance, though and not unrewarding for retailers with patience.

BY SARAH LUM, ASSOCIATE EDITOR

The ethnic health and beauty aids category encompasses a diverse group of products—from analgesics and shampoos imported from Mexico for the Hispanic market to cosmetics and hair care items for blacks. As a category, ethnic HBA has been slowly growing for years. As a section, it is relatively new to the supermarket.

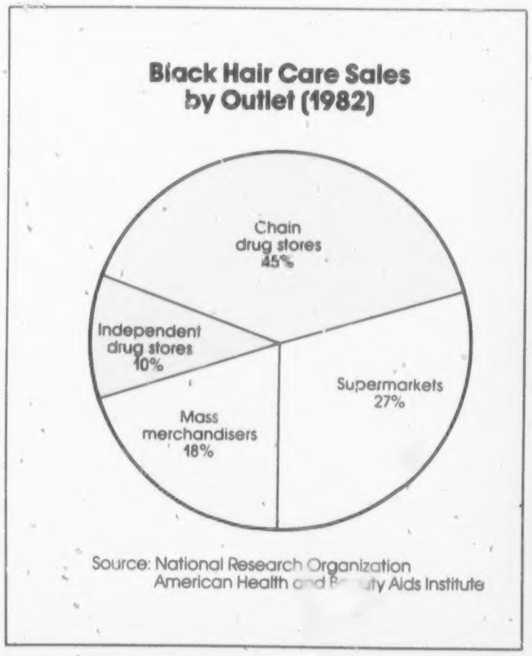
Nevertheless, given the growing number of stores that are developing more sophisticated cosmetics departments, coupled with a greater awareness among retailers of market segmentation, this could be a good time to invest in ethnic HBA. It will take a great deal of hard work and patience from retailers to serve this market effectively, however, because although ethnic HBA has grown in importance over the years, its suppliers are not always attuned to retailers' needs. The distribution system can be tricky.

Most of the ethnic HBA manufacturers—over 100 companies at last count—are used to dealing with smaller stores. But now that large chains have become interested in the category, things have gotten more difficult.

To begin with, though, by far the most established, and largest, ethnic HBA area is for blacks. Hair products are the biggest segment, with cosmetics a distant second. Hispanic and Asian-targeted HBA products are just beginning to make inroads.

So far, in supermarkets, sales of ethnic HBA products have not declined, according to William Stewart, director of marketing for Johnson Products, one of the oldest and largest manufacturers of ethnic hair care products, "but share of market has gone down." He attributes this to grocery retailers' traditionally "slower acceptance of new items."

Elsewhere, though, black hair care products, representing the lion's share of the ethnic HBA category, accounts for some $800 million in sales annually, according to the American Health and Beauty Aids Institute (AHBAI). It is one of the fastest-growing segments in the entire HBA category. According to Towne-Oller warehouse withdrawal audits representing approximately 28 percent of industry sales, ethnic hair care grew 20.9 percent in 1983 over the previous year, compared with an 11.8 percent



Black Hair Care Sales by Outlet (1982)

Source: National Research Organization
American Health and Beauty Aids Institute

Growing Pains in Ethnic HBA

Continued from page 53

increase for HBA overall.

So ethnic HBA is definitely a worthwhile consideration as a section within a supermarket that has good ethnic traffic, or that is striving to have a more complete HBA section. But because of the relative newness of the category, and the sometimes considerable inexperience of the companies involved in marketing ethnic HBA, a retailer will not always have an easy time of it.

One can buy direct or use a distributor to handle the ethnic HBA. Generally, the larger chains that do a lot of business buy directly (among them Kroger, Pathmark and Winn-Dixie). Other chains that do less volume in ethnic HBA, among them H. E. Butt and Jewel, use service merchandisers.

For these low- to mid-volume buyers, using a distributor means they can obtain the variety of products that otherwise might be prohibitively expensive to get. This is a fast-changing, fast-growing market, says Tyrone Burroughs, director of sales and marketing at Ben Sheftall, an ethnic HBA service merchandiser in Savannah, Ga. In addition, he says, "most grocery retail buyers don't have the time to keep up with the rapid changes that take place in this market."

Another service merchandiser agrees. Diana Warren, marketing manager at Judith Lynn Sales, which specializes in ethnic HBA says "We give the retailer flexibility in being able to respond quickly to new product introductions and changes in marketplace. We redo planograms every three months and see a lot of standby products going by the wayside because of new products coming out."

The ethnic HBA category is like any other fashion-oriented category: highly changeable. So changes happen often too quickly for the retailer even to realize them. This can be even more acute in ethnic HBA, where a retailer might not be all that familiar with the products to begin with. Nevertheless, "while distributors can be used effectively, we think it's critical for the decision-maker at the retail level to be knowledgeable about the category, and not to become overdependent on the distributor, because this can lead to indifference or, in turn, poor management," says Lafayette Jones, executive director of the AHBAI. As a result, as most retailers know, "instead of space allocation by market share, it ends up being based on deep dealing," he says. That is, when promotional deals are actually offered.

Although some chains have switched from buying directly from the manufacturer to using distributors, they aren't actually finding many promotional opportunities in either choice. Jim Kyle, HBA buyer/merchandiser for the Cullum Cos. (Dallas), says that Tom Thumb-Page, its subsidiary, switched to a distributor for most of its ethnic HBA items "because the sales reps (at the manufacturers) don't seem to understand deals, they don't know how to figure out their own deal structures, and I certainly can't afford the time to do it for them. They also don't understand the computer, and our needs for working with this kind of information."

In addition, he says, there's a high turnover of salespeople at manufacturers for these products, which doesn't make for a smooth working relationship.

Kyle, who has well over 20 years' experience in the HBA area, adds that despite these problems, "it's a very important category for us, and accounts for a good part of our business. But we don't promote it as much as we'd like to because we aren't getting the promotional deals we need to do so." Tom Thumb-Page warehouses two ethnic hair care lines and goes to a distributor for others. "There are other lines we would like to carry," he notes, "but until we get the service that other companies provide, I won't do it." There's still a lot to be done in order to bring the service of the ethnic HBA market up to par with other HBA categories.

"There is room for improvement," agrees another ethnic HBA buyer. "One of the problems has been that most of these companies are pretty small and, in the past, have been used to dealing with small retailers who didn't have the same needs as a major chain, a chain that is highly computerized and requires a long lead time in executing promotional deals. Things had been pretty casual, this buyer says, although they are changing and "certain companies do provide more service and are adaptable to our computerized systems."

Lafayette Jones of AHBAI notes that while he has seen "tremendous strides made in the level of professional talent" coming into the ethnic hair care companies, and a "great awareness among them of the importance of speaking the language of the trade, we are still relatively new to the corporate game. There are opportunities for improvement and if any retailers feel that they're not getting the level of service they want, we'd like to hear from them."

In order to encourage better cooperation between retailer and manufacturer, the AHBAI instituted a Retailer of the Year award. Last year, the sole recipient was Revco Corp., a large chain of drug stores. This year, the award was expanded to three categories: drug, mass merchandiser and supermarket. The award in the supermarket class went to Pathmark (Woodbridge, N.J.) in 1984.

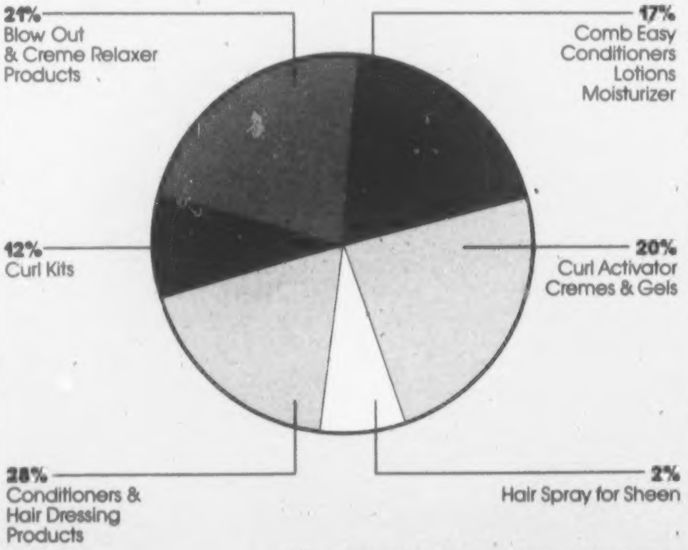
For the retailer considering marketing ethnic HBA, the AHBAI recommends space allocation based on the percentage of ethnic traffic per store. For stores with over 50 percent ethnic traffic, the size of the section should be 24 feet and up. With ethnic traffic 25 to 50 percent of business, there should be at least a 12-foot section. Ten to 20 percent ethnic traffic should get an eight-foot section and less than that, five to 10 percent, should get a four-foot section. Store format, of course, plays a part in determining the section's size.

H. E. Butt (Corpus Christi, Tex.) has ethnic HBA sections that fall within these ranges. Not all of its stores carry the category, but in the 50 to 60

Continued on page 72

Recommended Shelf Allocation as a % of total footage

For ethnic hair care categories based on dollar volume, profit contribution and product movement



Source: American Health and Beauty Aids Institute ing a double-digit, four-week gain of +12.0 percent, and first aid products (cotton swabs, bandages, gauze, etc.), with a decline of −2.0 percent, marking the second consecutive period in the minus column. Annual unit sales for first aid product were +6.8 percent ahead, however, and yearly volume for first aid antiseptics rose +8.8 percent.

Among hair-care needs categories, four-week unit volume was below the level for the corresponding period a year earlier in four out of seven categories, and barely ahead in one. Losses ranged from a high of −9.5 percent in the high-volume hair conditioning rinse category to a more moderate drop of −1.1 percent for hair coloring. The gain of +28.9 percent for hair setting needs loses significance and impact when the small size of the category is taken into consideration. The four-week gain of +3.7 percent for hair-dressing needs is virtually the same as the +3.6 percent increase for the 52-week period. Four-week unit volume of shampoos fell −1.7 percent, the first loss in this category in many months. This category ended up the year with a +3.4 percent sales gain.

Rinsing

In the oral hygiene product group, a −6.5 percent decline in the high-volume toothpaste and powder category was sufficient to cause a four-week loss in units overall, in spite of gains of +14.7 percent for breath fresheners, +10.9 percent for toothbrushes, +7.3 percent for mouthwash and +2.6 percent for denture adhesives. For the year, toothpaste food store volume showed an increase of 10 million units representing a gain of +2.5 percent. Denture cleaners recorded a four-week unit volume drop of +6.4 percent, but here again, were in the plus column for the year to the tune of +5.0 percent. Sales of toothbrushes have been running consistently upward and ran +7.7 percent ahead on a full year basis.

For the second four-week period in a row, all of the 12 SAMI proprietary remedy categories showed volume gains ranging from +25.6 percent for eye care products to an increase of 1.4 percent for both antacids and external analgesics. Sleeping aids movement rose +25.1 percent and cold tablets moved +18.7 percent ahead of the corresponding period a year ago. A gain of +20.4 percent for proprietary tranquilizers is from a very small volume base. The +3.0 percent improvement for internal analgesics compares with a hike of +11.4 percent in the preceding period, when volume a year ago was adversely affected by the Tylenol poisoning scares. There were only two categories in this group with annual declines—the low-volume tranquilizers category with a +20.1 percent loss rate and nasal sprays, drops, inhalers—down just −.25 percent. The two standout growth examples for the year were eye care products, ahead +18.2 percent and cold tablets, registering a gain of over 8.3 million units, or +10.5 percent.

Each of the five shaving need categories moved upward, with gains ranging from +36.7 percent for shaving creams to a miniscule +.1 percent for razor blades. After-shave lotions were up +10.2 percent. On an annual basis, one category—razors and blades—showed a loss amounting to −10.2 percent. The highest 52-week gain was +14.0 percent for shaving creams. In this category gels did particularly well.

Finally, in the case of skin care aids, the only loss was −24.1 percent for suntan lotion & oil, signifying few dollars in a winter period. There was a gain of +37.0 percent for lip care products, shared by each of the eight leading brands in this category. Peaks and valleys in lip care products are usually weather-related, and in many parts of the country the Christmas season was lip-chapping weather. The entire product group had a +12.9 percent upsurge for the four weeks, which contrasts with an increase of only 2.0 percent for the 52 weeks ending January 6, 1984. Hand and body creams, lotions grew +9.3 percent in the four weeks, as opposed to a loss of −.9 percent for the year. The only other category with an annual loss was −7.9 percent in the case of suntan lotion-suntan oil. ■

HEALTH & BEAUTY AIDS:
SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

	% CHANGE VS. YEAR AGO		
PRODUCT GROUP AND CATEGORY	**4 WEEKS ENDING 11/11/83**	**4 WEEKS ENDING 12/9/83**	**4 WEEKS ENDING 1/6/84**
BABY NEEDS	**− 3.4%**	**+ 0.5%**	**+ 5.1%**
Baby Powders	− 6.2	− 8.9	− 2.5
Baby Oils, Creams & Lotions	− 4.5	+ 1.0	+11.8
Infant Clothes	−17.6	− 7.8	−10.1
Nursing Supplies	+ 5.8	+ 8.3	+ 7.3
DEODORANTS	**+ 6.0%**	**+ 7.3%**	**+ 2.9%**
Sprays	− 4.6	− 1.8	− 4.3
Roll-On	+10.8	+10.1	+ 3.0
Stick Deodorants & Pads	+14.1	+14.5	+ 9.5
Creams	− 4.0	− 5.2	− 5.0
Deodorants & Talcum Powders	− 2.7	+ 5.9	+ 1.2
Feminine Hygiene Deodorants	− 3.2	− 0.9	−14.5
Foot Deodorants & Athlete's Foot Remedies	+15.5	+13.9	+ 9.0
Feminine Douches	+ 5.3	+ 7.4	+ 6.0
FIRST AID	**+ 6.3%**	**+ 0.5%**	**+0.4%**
Antiseptics	+ 9.6	+10.9	+12.0
First Aid Products	+ 5.5	− 1.7	− 2.0
HAIR CARE NEEDS	**+ 1.9%**	**+ 2.0%**	**− 2.5%**
Shampoos	+ 2.9	+ 3.5	− 1.7
Hair Sprays	+ 7.4	+ 3.5	+ 0.1
Hair Conditioning Rinses	− 4.6	− 3.5	− 9.5
Hair Setting Needs	+29.9	+31.0	+28.9
Home Permanent Kits	− 6.0	− 4.8	− 2.9
Hair Coloring	− 8.8	− 4.0	− 1.1
Hair Dressing Needs	+ 5.6	+ 6.6	+ 3.7
ORAL HYGIENE	**+ 2.7%**	**+ 3.0%**	**− 1.8%**
Toothpastes & Powders	+ 3.9	+ 1.1	− 6.5
Mouthwashes	− 1.2	+ 8.1	+ 7.3
Breath Fresheners	+ 0.8	+29.6	+14.7
Denture Cleaners	− 0.9	− 1.9	− 6.4
Denture Adhesives	− 0.8	+ 0.7	+ 2.6
Toothbrushes	+ 4.2	+ 7.3	+10.9
PROPRIETARY REMEDIES	**+ 8.7%**	**+ 8.2%**	**+ 4.8%**
Antacids	+ 3.3	+ 3.6	− 1.4
Internal Analgesics	+18.8	+11.4	+ 3.0
External Analgesics	+ 3.9	+ 7.5	+ 1.4
Cold Tablets	+12.7	+25.0	+18.7
Nasal Sprays—Drops—Inhalers	+ 4.3	+ 5.0	+ 3.9
Chest Rubs	− 1.9	+ 9.2	+ 5.3
Cough Remedies	+ 4.3	+ 1.5	− 2.7
Laxatives	+ 4.5	+ 3.4	+ 2.9
Sleeping Aids	+16.3	+18.1	+25.1
Tranquilizers	− 0.0	+ 0.4	+20.4
Vitamins	+12.5	+14.3	+11.7
Eye Care Products	+35.2	+31.3	+25.6
SHAVING NEEDS	**+ 1.0%**	**+ 3.6%**	**+10.0%**
Shaving Creams	+10.0	+11.2	+36.7
Pre-Shave Lotions	+ 6.2	+ 5.6	+ 6.5
After-Shave Lotions	+12.2	+13.5	+10.2
Razor Blades	− 3.7	− 0.5	+ 0.1
Razors & Blades	+ 0.6	+ 8.4	+ 4.3
SKIN CARE AIDS	**+ 6.6%**	**+ 4.5%**	**+12.9%**
Hand & Body Creams & Lotions	+18.8	+ 2.1	+ 9.3
Facial Preparations	− 2.0	− 0.5	+ 4.6
Lip Care Products	−12.4	+10.4	+37.0
Suntan Lotions & Oils	+ 8.8	+94.6	−24.1
Cosmetic & Medicated Skin Aids	+ 6.2	+ 7.3	+ 7.1
TOTAL ALL CATEGORIES	**+ 5.1%**	**+ 4.9%**	**+ 2.7%**

NonFoods BUSINESS

FMI SURVEY:

GM/HBA Practices in Food Retailing

A new study on GM/HBA attempts to understand how these categories can be more effectively used in the supermarket.

Not all nonfoods—or nonfoods managers—are created equal. So in an attempt to understand more specifically the role that GM and HBA play in the supermarket, the Food Marketing Institute (FMI), in cooperation with International Circulation Distributors (ICD), commissioned a study that was conducted by Willard Bishop Consulting Economists, Ltd. (Barrington, Ill.). The study's results were released at the FMI/GMA General Merchandise/HABA Conference that was held in Dallas, Tex., in January.

The study was conducted through a combination of mail survey and telephone interviews. It was based on a total sample of 60 companies that operate approximately 8,230 stores, with annual sales in excess of $61.3 billion, and with equal representation in each of four store formats: conventional supermarkets, super stores, combination stores and warehouse stores.

The intent of the study was not to yield statistics that could be predicted nationally, Bill Bishop says, but to help redefine the meaning of GM/HBA by providing a thorough look at how the category fits into today's supermarket, and the opportunities for increasing GM/HBA's contribution to sales.

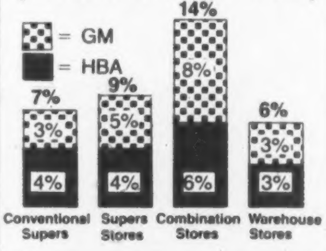
The survey found that the sales of GM/HBA varied depending on the kind of store the merchandise was sold in. GM/HBA typically accounts for about nine percent of store sales (4.7 percent from GM and 4.3 percent from HBA). The difference among store formats was considerable, ranging from six to 14 percent. Not surprisingly, there was a lot of variation in the percentages of shelf space that the different formats devoted to GM/HBA, ranging from 15 to 41 percent.

What these statistics don't show, however (as Bill Bishop pointed out), is that there are significant differences in how GM and HBA are defined. For example:

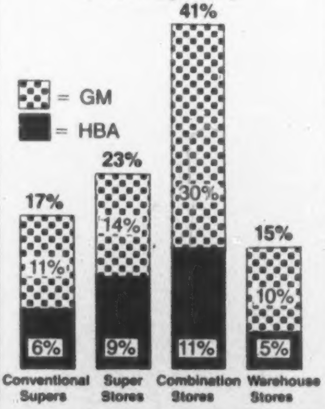
☐ Diapers, sanitary nap-

Continued on page 67

Sales Distribution of GM and HBA by Store Format (Percent of Store Sales)



Shelf Space Devoted to GM and HBA by Store Format (Percent of Shelf Space)



It was anticipated that both super stores and combination stores would have strong GM sales, but GM penetration in warehouse stores shows that these operators are beginning to be aggressive in this area.

New from HARTZ

CONSUMER REFUND OFFERS UP TO $2.50

Hartz announces a new **consumer rebate offer** on many of our 2-in-1 family of flea and tick products. Your customers will receive by mail up to $2.50 in valuable Hartz coupons and cash. These coupons will bring them back to your store and back to the profitable pet supplies department. Consumer details and tear pads appear on **every promotional display.** Contact your local Hartz representative for full details or call Bill Martin, V.P. Sales Administration at (201) 481-4800.

HARTZ care
50¢ OFF
50¢ OFF
25¢ OFF
25¢
ON POPULAR HARTZ 2 in 1 PRODUCTS
HARTZ care

GM/HBA STUDY

Continued from page 65

kins and tampons were found classified under either GM, HBA or groceries;

☐ cigarettes, candy and charcoal products were either classified as GM or grocery, and

☐ film and hosiery were classified as both HBA and GM.

"This is an extremely important issue, with serious implications," says John Ruffin, vice president of Pantry Pride Supermarkets (Fort Lauderdale, Fla.), who had participated in the panel at the conference that had responded to the presentation of this study. It was strongly suggested that there be some effort made to standardize the classification of products.

Hand in hand with the differences in the amount of space different types of stores devote to GM/HBA, there are differences in gross profit margins. For HBA, the range was between 22 and 29 percent; for GM, it went from 29 to 37 percent (see chart).

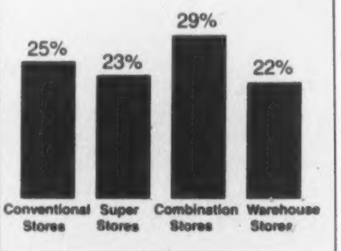
In addition, about half of the conventional supermarket operators and 64 percent of the super store operators reported that margins for HBA have been lowered over the past five years, Bill Bishop says. However, 64 percent of the combination store operators reported higher margins for HBA.

The majority of operators felt that in the future the gross profit margins for HBA would remain the same or decrease, with the exception of warehouse store operators, of whom 40 percent anticipated that gross profit margins would increase.

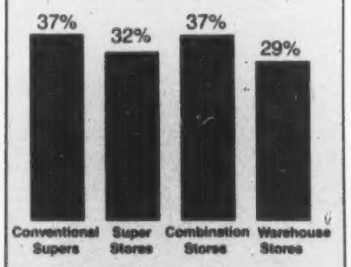
As for GM profit margins, 56 percent of the combination store operators and 47 percent of warehouse operators expected them to increase. Operators of other formats did not share that view.

GM/HBA executives and top

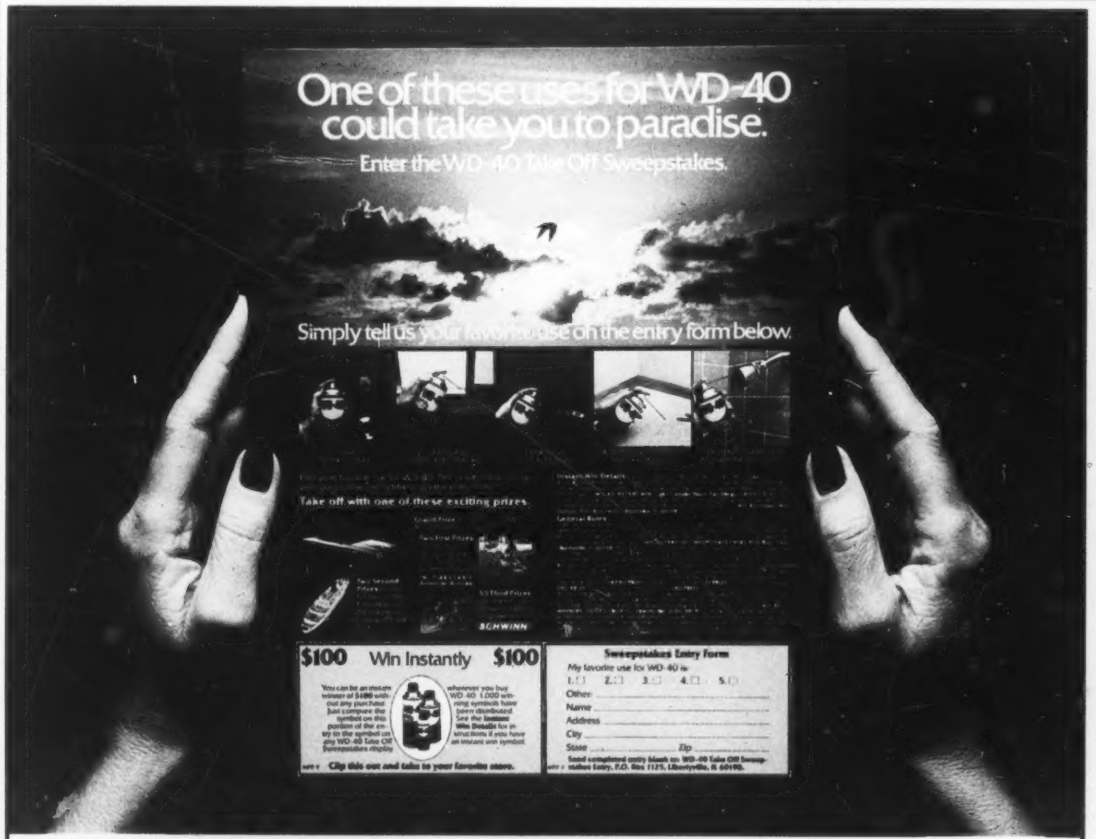
Gross Profit Margin for HBA (Percent of Sales)



Gross Profit Margin for GM (Percent of Sales)



HBA sales penetration was typically greater in super stores and combination stores.


One of these uses for WD-40 could take you to paradise.
Enter the WD-40 Take Off Sweepstakes.
Simply tell us your favorite use on the entry form below.
Take off with one of these exciting prizes
SCHWINN
$100 Win Instantly $100
Sweepstakes Entry Form

43,000,000 women are taking WD-40® into their own hands.

Women have discovered man's favorite four-letter word. WD-40. Now the WD-40 Take Off Sweepstakes will send even more women looking for it.

Blair inserts carry instant win symbols.

43 million households will receive Blair inserts carrying entry blanks and instant win symbols on March 25 and April 8, 1984. Women will match their symbol at displays in your store.

WD-40 helps profits take off in your supermarket.

Major chains report gross margins of 38%-48% at 15-18 turns per year. National household awareness is 94%.

Put displays where women shop.

Don't be caught in the traffic without your WD-40 Take Off display. Order your stack or pre-pack display today. Contact your WD-40 rep for details.

WD-40 Company, San Diego, CA

GM/HBA STUDY

management still tend to disagree in their perceptions on the profitability of these two categories. GM/HBA people generally rate the two departments higher in their importance to company profitability than does top management.

Since the success of any particular category is affected by how well it is or can be managed, the issue of product management is important in deciding in which areas the GM/HBA manager's energies will be channelled. Among the GM categories considered easy to manage, the three most prominent were: hosiery, electric light bulbs and pet supplies. Among the reasons:

☐ Few product line changes;

☐ ease of handling;

☐ minimal housekeeping;

☐ relatively high sales volume;

☐ consistent sales patterns, and

☐ limited number of items in category.

Among the GM categories considered more difficult to manage, the most often cited were: housewares, seasonal items, hardware, school stationery, gadgets and sewing notions. Reasons given included:

☐ Too many items for display in available space;

☐ excessive inventory investment, and

☐ shelves too difficult to maintain.

In the HBA arena, three categories cited as easy to manage were: oral hygiene, hair care (especially shampoos) and deodorants. Among the reasons:

☐ High sales volume;

☐ limited number of items;

☐ limited new product introductions;

☐ merchandise stocked easily;

☐ consistent sales pattern, and

☐ customers know the product.

Over-the-counter medications, cosmetics, hair shampoo/rinses and conditioners and vitamins were cited as most difficult to manage in the HBA category. Curiously, the hair care category was cited in both the easy-to-manage and difficult-to-manage groups.

Reasons for difficulty of management were:

☐ Continuous new product introductions;

☐ products not well differentiated;

☐ frequent packaging changes; and

☐ need for trained people at store level.

The implication for retailers is that the ease or difficulty of management affects the costs of carrying a category. Evaluations of product categories, based on these considerations, should guide managers on how and where to focus their attentions and energies.

Continued on page 70

YOU GET THIS 8 OZ. SIZE ($4.50 value)
SKIN FRESHENER
FREE!
Nature's Family
70% Aloe Vera Facial Scrub
with Apricot Kernels
WITH PURCHASE OF THIS 4 OZ. SIZE ($4.50 value)
FACIAL SCRUB

Next to Nature's Family, the other facial scrubs haven't much to offer.

INTRODUCING 70% ALOE VERA FACIAL SCRUB AND FREE SKIN FRESHENER COMBO PACK.

Here's another big winning combination from the leader in natural skin and hair care.

When your customers buy our new 70% Aloe Vera Facial Scrub they get an 8 oz. bottle of our Aloe Vera Skin Freshener absolutely free!

What's in it for you is an unlimited opportunity for bigger sales and profits in 1984.

This Nature's Family offer is an exclusive too. For a dynamic introductory allowance contact your local sales rep today. Or call Sam Foley, VP of Sales, at 800-423-3278.

You'll agree it's a great way to clean up in 1984.

Nature's Family®

The Leader in Natural Skin and Hair Care for over 15 Years.

NonFoods BUSINESS

GM/HBA STUDY

Continued from page 68

Overall, the categories that at least a third of the respondents said they were planning to give additional space to (in GM) were: seasonal items and novelties; greeting cards & gift wrappings, hosiery, film & film processing, videotapes & movies, automotive supplies, school & writing supplies, electric bulbs, books and party goods. In HBA, categories cited to be expanded were: vitamins & natural vitamins, OTC medications, personal care products, cosmetics, hair care, first aid and eye care items.

Broken down by store format, however, there is some variation among the categories that are slated for expanded shelf space. In general merchandise, among conventional stores, the categories that half or more of the respondents cited were: hosiery, school & writing supplies, electric bulbs, film & film processing, flashlights and batteries. In warehouse stores, half or more of the respondents cited greeting cards & gift wrap, plastic & rubber housewares, pet supplies, party goods and seasonal items. And among combination as well as super stores, video tapes & movies and seasonal items & novelties were slated for expansion by half or more of the respondents.

For health and beauty aids, half or more of the conventional stores reported plans for expanding vitamins & natural vitamins, OTC medications, hair care, personal care and cosmetics. With warehouse stores, hair care was the prominent category slated to be expanded. Among combination stores, vitamins & natural vitamins and OTC medications were targeted for additional space by half or more of the respondents. Super stores also cited vitamins and OTC products, as well as personal care items and cosmetics for planned expansion.

"These examples help to demonstrate that there is considerable opportunity for certain categories to expand in those store formats that have historically not assigned as much space as might be required (to these items)," the study concludes.

Charles O'Dell, general merchandise buyer at Shaw's Supermarkets (East Bridgewater, Mass.) notes that when allocating additional space to GM/HBA, "It's important to look at specific items within the category, and not just the category as a whole." Of the total sample, 67 responded that there would indeed be "increased merchandising analysis" of general merchandise and health and beauty aids in their plans.

Complete copies of the study "A Survey on General Merchandise/HABA Practices in Food Retailing" may be obtained at a nominal charge from the Education Division of FMI. ■

SARAH LUM

KLUTCH DENTURE
ADHESIVE POWDER
★★★★★ PROFIT PRODUCER

In today's highly competitive HBA market, you want products that turn over . . . products with excellent value, repeat sales and good profit margins. You want Klutch.

We've manufactured Klutch with the same proven formula — the same natural ingredients for over 60 years. Klutch works. It works for your customers. It works for you.

For more information about your profit potential with Klutch, just mail in the ticket below.

The reviews are in...

★★★★

"In the denture adhesive category, Klutch consistently performs well. Our sales and profits have definitely been above expectation."

Marc Dworkin,
Senior Vice President of Marketing,
Revco D.S., Inc.

★★★★

"We've stocked Klutch for years and plan to carry it for many more. Klutch sells!"

Steve Rains,
R.Ph., Selected Toiletries/Sundries Buyer,
Hook Drugs, Inc.

★★★★

"During the 10 years we've carried Klutch Denture Adhesive Powder, sales have grown consistently. We freely encourage any organization to consider this fine product for distribution."

Randy Groom,
Director of Advertising/Promotion,
Lawrence Pharmaceuticals.

I. Putnam, Inc., P. O. Box 444, Big Flats, NY 14814 (607) 732-6251

Please send me more information about Klutch Denture Adhesive Powder. The low-cost, high-profit denture adhesive with super hold and fresh taste.

Name ____________________

Title ____________________

Company ____________________

City ____________ State ________ ZIP ________

Telephone ____________________

KLUTCH
KLUTCH

ETHNIC HBA GROWING PAINS

Continued from page 54

that do, sections devoted to ethnic HBA start at three feet. One store in San Antonio has a section that runs almost 36 feet.

The AHBAI recommends merchandising the section in a "separate, clearly defined, highly visible section—within or adjacent to the regular hair care section." It also recommends a general breakdown in shelf allocation for subcategories, with the greatest amount of space (28 percent) going to conditioners and hair dressing products (see chart).

The kinds of products that are carried, and the space allotted will, naturally, differ in different parts of the country, where hair styles vary. There are pronounced regional hairstyle differences.

"Black hair care products tend to be regional in their usage, but this is something that will not always be apparent in figures supplied by manufacturers," says David Woolf, merchandising manager of Mercury Distributing (Chatsworth, Calif.). The strength of a company's national advertising and promotion matters most says Tyrone Burroughs, of Ben Sheftall.

Although some chains have switched from buying directly from the manufacturer to using distributors, they aren't actually finding many promotional opportunities in either choice. Jim Kyle, HBA buyer/merchandiser for the Cullum Cos. (Dallas), says that Tom Thumb-Page, its subsidiary, switched to a distributor for most of its ethnic HBA items "because the sales reps (at the manufacturers) don't seem to understand deals, they don't know how to figure out their own deal structures, and I certainly can't afford the time to do it for them. They also don't understand the computer, and our needs for working with this kind of information."

In addition, he says, there's a high turnover of salespeople at manufacturers for these products, which doesn't make for a smooth working relationship.

Kyle, who has well over 20 years' experience in the HBA area, adds that despite these problems, "it's a very important category for us, and accounts for a good part of our business. But we don't promote it as much as we'd like to because we aren't getting the promotional deals we need to do so." Tom Thumb-Page warehouses two ethnic hair care lines and goes to a distributor for others. "There are other lines we would like to carry," he notes, "but until we get the service that other companies provide, I won't do it." There's still a lot to be done in order to bring the service of the ethnic HBA market up to par with other HBA categories.

"There is room for improvement," agrees another ethnic HBA buyer. "One of the prob-

Continued on page 74

INTRODUCING RUG PATROL™.

SERGEANT'S® OPENS UP A WHOLE NEW WAY TO MAKE A PROFIT. (BY KILLING FLEAS. AND THEIR EGGS.)

When you add up all the households with pets and carpets, know what you get?

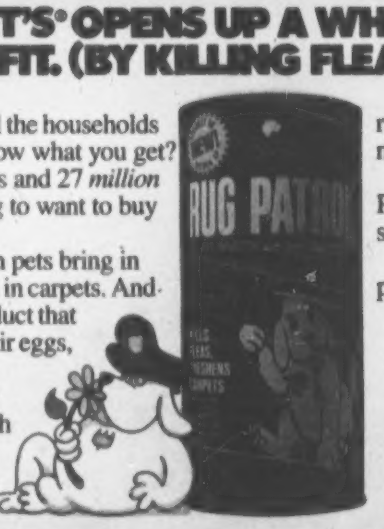
40 *million* dog lovers and 27 *million* cat owners who are going to want to buy new Rug Patrol.

That's because when pets bring in fleas, their eggs can hatch in carpets. And Rug Patrol is the first product that actually kills fleas and their eggs, while it freshens carpets.

We'll be telling your customers all about it with network television commercials from coast-to-coast. Plus we're running a dollar-off coupon campaign in major newspapers.

So all you have to do is put Rug Patrol on the shelf in your insecticide section.

And we'll make sure your customers put it on their carpets.



Sergeant's
RUG PATROL™
KILLS FLEAS AND THEIR EGGS.

ETHNIC HBA GROWING PAINS

Continued from page 72

lems has been that most of these companies are pretty small and, in the past, have been used to dealing with small retailers who didn't have the same needs as a major chain, a chain that is highly computerized and requires a long lead time in executing promotional deals. Things had been pretty casual," this buyer says, although they are changing and "certain companies do provide more service and are adaptable to our computerized systems."

Lafayette Jones of AHBAI notes that while he has seen "tremendous strides made in the level of professional talent" coming into the ethnic hair care companies, and a "greater awareness among them of the importance of speaking the language of the trade, we are still relatively new to the corporate game. There are opportunities for improvement and if any retailers feel that they're not getting the service they want, we'd like to hear from them."

While hair care products captures the largest share of black HBA, cosmetics do some business, although by and large they are becoming increasingly incorporated into the overall HBA category. David Woolf of Mercury Distributors reports "we've cut way back on cosmetics for blacks because the major manufacturers now have shade groupings that are acceptable to black women and the quality of the black-made products are not yet as good as these."

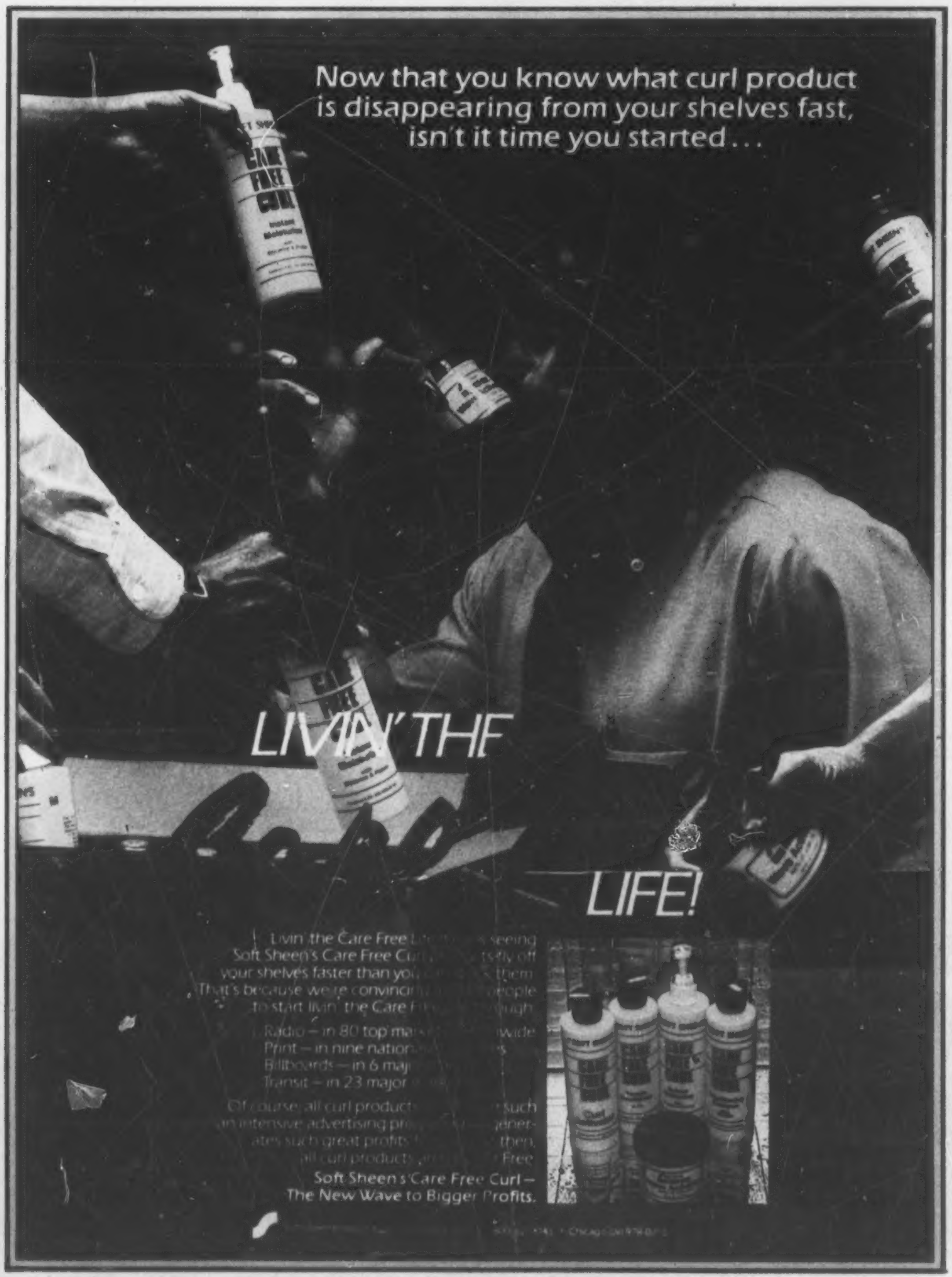
The cosmetics category, though, represents just a fraction of specifically ethnic HBA.

While products aimed at blacks garner most of the business in the ethnic HBA categories, there is a growing market for Hispanic products, especially analgesics.

As a whole, the Hispanic market has been receiving a lot of attention from U.S. marketers.

One effect will be that less products will probably be imported from Mexico—items such as antacids, aspirin, shampoos, etc. Jose Granda, president of Grandall Distributors, says that Hispanic shoppers, like all shoppers "check prices and compare quality," although they are typically more brand loyal. Sometimes, he says, "they end up switching from Mexican products to American-made ones." So while these products are not as such aimed at Hispanics, they are *labeled* for them. Grandall Distributors has been importing HBA products from Mexico since 1967. He supplies Safeway and Thriftmart as well as a number of independent supermarkets.

Tampico Sales International (a subsidiary of Judith Lynn Sales) began a similar business in the Chicago area last year. Mike Navarro, president of Tampico, imports from South America as well as Mexico. ■



Now that you know what curl product is disappearing from your shelves fast, isn't it time you started . . .

LIVIN' THE Care Free LIFE!

Livin' the Care Free [illegible] seeing Soft Sheen's Care Free Curl [illegible] off your shelves faster than you [illegible] them. That's because we're convincin[illegible] people to start livin' the Care F[illegible] through:

Radio — in 80 top ma[illegible]wide
Print — in nine nation[illegible]
Billboards — in 6 maj[illegible]
Transit — in 23 major [illegible]

Of course, all curl product[illegible] such an intensive advertising pro[illegible] generates such great profits [illegible] then, all curl products [illegible] Free.

Soft Sheen's Care Free Curl — The New Wave to Bigger Profits.

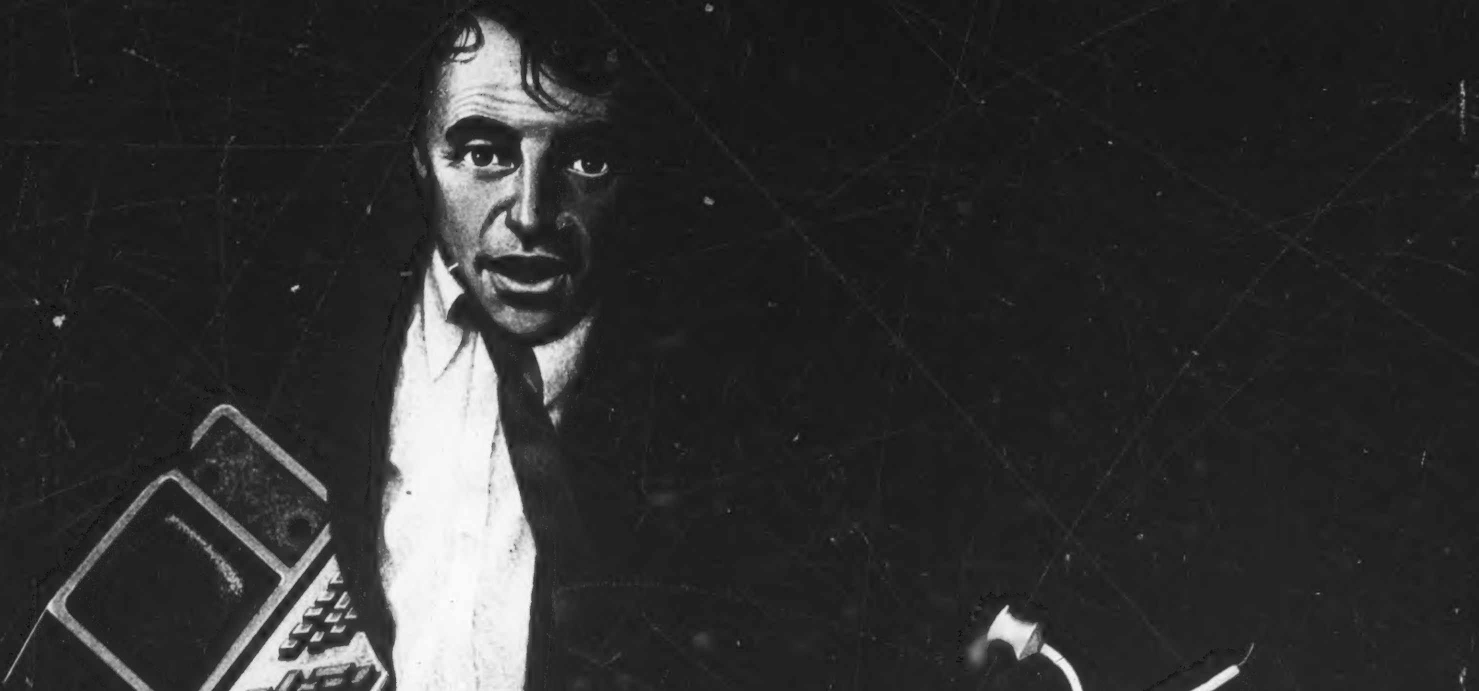
APR

1984

4/13/84
C3475-1A

SUPERMARKET BUSINESS

In this issue
INSTORE BUSINESS
NATURAL & BULK FOODS
In Selected Editions Only



INSTORE AUTOMATION–

How can we pull it all together?

PUBLISHER:
Jeffrey A. Schaeffer
EDITOR:
Kenneth P. Partch
SENIOR EDITOR:
Douglas T. Harris, Jr.
MANAGING EDITOR:
Robert J. Hughes
ASSOCIATE EDITOR:
Sarah Lum
ASSISTANT EDITOR:
Marianne Skoczek
ART ASSISTANT:
Karen Sockler
CONTRIBUTING EDITORS:
Meat: **Kenneth Johnson, John Francis**
Produce: **Barney H. McClure**
Technology: **Richard Shulman**
Store Planning: **David Rogers**
CIRCULATION MANAGER:
Virginia Bucci Posner
PRODUCTION MANAGER:
Daniel Coakley
DIRECTOR OF PUBLICATION RESOURCES AND RESEARCH:
Norman Bussel
(914) 528-1369
ADVERTISING SALES:
EAST:
NORTHEAST REGIONAL SALES MANAGER:
Jack Driscoll
SOUTHEAST REGIONAL SALES MANAGER:
Al Greenberger
EASTERN REGION ACCOUNTS MANAGER:
Jerry Whitman
Fieldmark Media, Inc.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
CHICAGO:
MIDWEST DIVISION SALES MANAGER:
Dave Wishard
MIDWEST REGIONAL SALES MANAGER:
Allan Preiss
Fieldmark Media, Inc.
3530 W. Peterson Ave.
Chicago, Ill. 60659
312-583-1318
WEST COA[illegible]
Sue Mc[illegible]
Fieldmark Media, Inc.
15910 Ventura Blvd., Suite 800
Encino, Calif. 91436
818-783-5888

CORPORATE STAFF
FIELDMARK MEDIA, INC.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
212-354-5169
PRESIDENT:
Jeffrey A. Schaeffer
ADMINISTRATIVE MANAGER:
Catherine Cahill
BUSINESS MANAGER:
Eric Braunstein
CORPORATE DIRECTOR SALES AND MARKETING:
Thomas M. Rigney
AFFILIATED PUBLICATION:
Milling & Baking News
Sosland Publishing Co.
Kansas City, Mo.
COVER ILLUSTRATION:
Mark Fresh

SUPERMARKET BUSINESS Magazine (ISSN 0196-5700) is published monthly by Fieldmark Media, Inc., 25 W. 43rd St., New York, N.Y. 10036. Telephone: (212) 354-5169. Circulated free of charge to grocery retailers and wholesalers. U.S. subscriptions $32 per year; Canada, $37 per year. Foreign subscriptions $48. Single copies $3.50 except Consumer Expenditures Study (September issue) $15 per copy. (Discount prices available on multiple purchases.) Copyright © 1984 Fieldmark Media, Inc. All rights reserved. Second class postage paid at New York, N.Y., and additional mailing offices.

BPA ABP American Business Press Inc

SUPERMARKET BUSINESS

VOLUME 39
NUMBER 4
APRIL 1984

PAGE 21
INSTORE AUTOMATION— HOW CAN WE PULL IT ALL TOGETHER?

Systems and software exist for just about every store operation and function. Instore computers can tie these together for immediate, on-the-spot control. Or, they can communicate directly to the host computer for more sophisticated applications. Nowadays, the question isn't *whether* you should get into store computers, but for which functions and what kind of payout. In this issue, SB examines how a few forward-thinking retailers are making the most of automation.

PAGE 30
GM GOES BOLD: STOP & SHOP 'EXPERIMENTS' WITH NONFOODS IN THE SUPER STORE

Using the space that a super store affords as a "laboratory" for nonfoods merchandising ideas, Stop & Shop is bolstering sales of basic GM/HBA items with a bold promotional approach.

ALSO IN THIS ISSUE INSTORE BUSINESS*

This issue of Instore Business takes a look at how some supermarket operators stand out in their communities with one-of-a-kind approaches: Lloyds, in Middletown, N.Y., has a "semi-service" restaurant, while Houston's Fiesta Mart bakes up 650,000 tortillas a week—and captures a sizable share of its multiethnic market.

FACING PAGE 31
SPECIAL EDITORIAL SUPPLEMENT* NATURAL & BULK FOODS

The growth of natural foods over the years has led many people now to accept—and even demand—them at the supermarket. Retailers are exploring the possibilities of how to merchandise these healthful products in the most productive ways.

Likewise, with the popularity of the born-again bulk foods concept, supermarket operators are experimenting with what works best in bulk. At the same time, retailers are faced with sometimes confusing regulatory guidelines over the proper sanitation of these sections and bulk products.

This supplement presents an overview of both of these dynamic and important supermarket developments.

PAGE 35
NONFOODS BUSINESS WARMING UP TO BAKEWARE

The category of microware and bakeware might strike some operators as a dull, merely seasonal one. But at least one supermarket, Farm Fresh, in Virginia, has gotten the most out of bakeware by strong promotions and store displays.

PAGE 62
CAPTURING KOSHER CUSTOM

Few supermarkets have taken the ethnic food department as far as has the Foodarama ShopRite in Lakewood, N.J. It's created a "Passover Place," to serve its customers at this special time of year. Eventually, this area will give way to a Kosher dairy restaurant on the premises.

*In Selected Editions Only

OTHER FEATURES AND COLUMNS

PAGE 7 EDITOR'S VIEW
PAGE 8 TRADESCAN
PAGE 18 TECHNOLOGY
PAGE 43 SAMI
PAGE 48 NEW PRODUCTS
PAGE 53 NEW EQUIPMENT
PAGE 55 NEW PRODUCTS
PAGE 56 PRODUCE
PAGE 60 EXECUTIVE MOVES
PAGE 61 CALENDAR

TRADESCAN

FDA Set to Enforce EDB Citrus Safety Levels

NEW YORK—Early this month, the FDA will begin enforcing EPA's maximum safety levels for fruits sprayed with the fumigant ethylene dibromide (EDB). These levels, of 250 ppb for the entire fruit and 30 ppb for the edible portion, are comparable to those established for ready-to-eat grain products.

Unlike February's action on grain products, however, EPA did not order an immediate suspension on the use of EDB on fruit. Under the current law, starting this month, fruits exceeding established levels of EDB will not be allowed in interstate commerce. Beginning September 1, the chemical will be prohibited for use on citrus for the U.S. market. Growers will continue to be permitted to spray fruit bound for foreign markets, such as the large Japanese one.

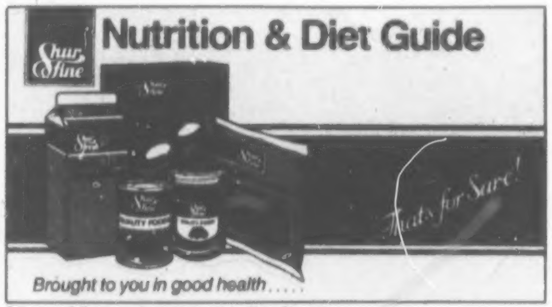
According to EPA Administrator Ruckleshaus, only two percent of domestic fruit is fumigated with EDB, although most that is grown in Mexico is. In addition, citrus fruits account for only one percent of the average American's diet, compared to about 14 percent for grain-based foods. EPA is working with the major citrus-producing nations to determine alternatives to the use of EDB.

Meanwhile, different states are handling the EPA guidelines for grain-based products in different ways. For the majority that by and large accept them, the main task is to test and determine what products—or product batches—exceed the guidelines. Several states have already made their findings available and FDA has established an electronic relay service, whereby results are made known to retailers nationwide.

To answer both retailers' and consumers' questions, some states, such as New Jersey, have set up department of health hotlines.

In Ohio, the state governor, while adopting the EPA guidelines, has decreed that all grain-based products be certified as complying with the established levels. As to determine this is virtually impossible on the store level, this ruling puts the burden of proof on the manufacturer, processor, packager or wholesaler.

And while some states do face guidelines more stringent than those recommended by EPA, none are tougher than those of Massachusetts. At presstime, retailer and manufacturer groups were presenting testimony to the Massachusetts, Public Health Council against the state's EDB standard of one ppb. A spokesperson for the Public Health Council, however, believes that Massachusetts' standards (which will include those adopted for citrus fruits) "will most likely remain stringent." ■



Some of the material used in the Shurfine program.

Nutrition Program Aimed At High School Students

NORTHLAKE, Ill.—At Shurfine-Central Corp., the business of being a supplier doesn't stop with groceries. The company recently announced a new nutritional education program.

While many companies in food-related businesses produce nutritional information, Shurfine is targeting its nutrition education to high school students, via the home economics classroom. The teachers' guide and lesson plans packet features a selection of films, lesson plans, nutrition and diet guides, recipes and various other printed pieces which are also available at a nominal charge. The newsletter, "Classroom Communications" will be mailed monthly during the school year to about 5,500 teachers in Shurfine's distribution area.

Shurfine, a grocery merchandising organization cooperatively owned by shareholder warehouses that are in turn owned by the retailers they serve, established a consumer relations office last year on an experimental basis.

Shurfine decided on this because it perceived the need for more information and classroom material on the part of teachers; it also considered the rise in teen consumerism. Spurred by the rise in working mothers, the number of teens who must help out with the shopping and cooking is also expanding. "We want to be of service to our consumers and to do that, we have to give them information that they can use." A side benefit is, of course, that it helps strengthen Shurfine's image among consumers. ■

Best Food Day Ads Show Major Shift

OMAHA, Neb.—Among the trends in grocery retail advertising that emerged in the fourth quarter Retailer Advertising Trend Report released by Majers Corporation's marketing division based in Stamford, Conn., was one that showed a significant shift in Best Food Day feature advertising, away from Thursday advertising in favor of Sunday advertising, observed over the last three years. (See chart.) While Thursday advertising suffered a four-point decrease from 1981 to 1983, Sunday advertising gained five points during the same period.

Furthermore, the trend report revealed that the average weekly advertising page count among grocery retailers increased 18 percent across all four quarters during 1983, compared with 1982. In the fourth quarter of 1983, the average grocery retailer ran 3.8 pages of advertising per week—this was the highest weekly page count per grocery retailer since Majers (a national market research and consulting firm), began tracking this data.

As for the advertising vehicle used, the report found that use of conventional run-of-press newspaper ads continued to decline in 1983, while supplements, mailer/circulars gained points.

The report also noted a continuation of the trend for nonfood space allocation to increase at the expense of institutional advertising.

The average weekly ad page count among grocery retailers increased 18 percent.

During the December period in 1982, nonfood items occupied 10 percent of the retailer space. In 1983, the nonfood percentage had reached 14. By contrast, the amount of space allocated for general merchandise products by drug retailers experienced a two point drop, going down to 42 percent in 1983. ■

Consumers Redeemed More Coupons in 1983

NORTHBROOK, Ill.—Figures released by A.C. Nielsen show a record number of coupon redemptions by consumers in 1983, reaching a grand total of 5.56 billion. This is a 24 percent increase over the 4.48 billion redeemed in 1982.

However, the number of coupons issued by manufacturers has also risen. From 119.5 billion in 1982, that number increased to 142.9 billion in 1983, up 19.6 percent. One factor contributing to the rise in coupons' popularity is no doubt the double and triple couponing offered by supermarkets.

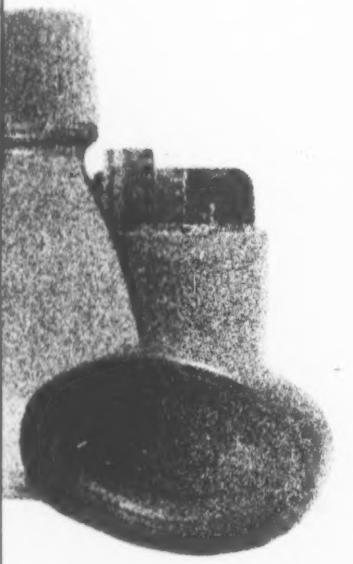
As for the vehicle used to issue coupons, free-standing inserts in newspapers, and direct mail, show gains. Free standing inserts in daily newspapers show a 6.4 percent gain, up from zero in previous years, and a 3.3 percent gain in Sunday papers, up from 33.3 percent in 1982.

Direct mail also gained, going from 3.8 percent in 1982 to 4.3 percent in 1983. All other media used to distribute coupons show slight declines in share: daily newspaper ROP solo at 20 percent in 1983, down from 23.1 percent in 1982; daily newspaper co-op (all) at 12.2 percent, down from 15.2 percent; Sunday paper magazines at 4.9 percent, down from 6.3 percent; magazines at 10 percent, down from 11.4 percent; and in/on package at 5.6 percent, down from 6.9 percent in 1982. ■

NonFoods BUSINESS

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO		
	4 WEEKS ENDING 12/9/83	4 WEEKS ENDING 1/6/84	4 WEEKS ENDING 2/3/84
BABY NEEDS	**+ 0.5%**	**+ 5.1%**	**+ 2.2%**
Baby Powders	− 8.9	− 2.5	− 6.7
Baby Oils, Creams & Lotions	+ 1.0	+ 11.8	+ 7.3
Infant Clothes	− 7.8	− 10.1	− 10.1
Nursing Supplies	+ 8.3	+ 7.3	+ 5.5
DEODORANTS	**+ 7.3%**	**+ 2.9%**	**+ 5.9%**
Sprays	− 1.8	− 4.3	+ 2.5
Roll-On	+ 10.1	+ 3.0	+ 10.2
Stick Deodorants & Pads	+ 14.5	+ 9.5	+ 13.3
Creams	− 5.2	− 5.0	− 4.2
Deodorants & Talcum Powders	+ 5.9	+ 1.2	− 2.2
Feminine Hygiene Deodorants	− 0.9	− 14.5	− 16.1
Foot Deodorants & Athlete's Foot Remedies	+ 13.9	+ 9.0	+ 6.6
Feminine Douches	+ 7.4	+ 6.0	+ 1.9
FIRST AID	**+ 0.5%**	**+ 0.4%**	**+ 2.2%**
Antiseptics	+ 10.9	+ 12.0	+ 4.2
First Aid Products	− 1.7	− 2.0	+ 1.8
HAIR CARE NEEDS	**+ 2.0%**	**− 2.5%**	**+ 2.2%**
Shampoos	+ 3.5	− 1.7	+ 4.0
Hair Sprays	+ 3.5	+ 0.1	+ 2.3
Hair Conditioning Rinses	− 3.5	− 9.5	− 3.6
Hair Setting Needs	+ 31.0	+ 28.9	+ 43.6
Home Permanent Kits	− 4.8	− 2.9	+ 1.3
Hair Coloring	− 4.0	− 1.1	− 4.1
Hair Dressing Needs	+ 6.6	+ 3.7	+ 7.2
ORAL HYGIENE	**+ 3.0%**	**− 1.8%**	**− 0.7%**
Toothpastes & Powders	+ 1.1	− 6.5	− 2.0
Mouthwashes	+ 8.1	+ 7.3	+ 2.6
Breath Fresheners	+ 29.6	+ 14.7	+ 11.2
Denture Cleaners	− 1.9	− 6.4	− 3.3
Denture Adhesives	+ 0.7	+ 2.6	+ 1.3
Toothbrushes	+ 7.3	+ 10.9	+ 1.8
PROPRIETARY REMEDIES	**+ 8.2%**	**+ 4.8%**	**+ 2.0%**
Antacids	+ 3.6	− 1.4	+ 1.3
Internal Analgesics	+ 11.4	+ 3.0	+ 4.4
External Analgesics	+ 7.5	+ 1.4	+ 8.7
Cold Tablets	+ 25.0	+ 18.7	+ 11.7
Nasal Sprays—Drops—Inhalers	+ 5.0	+ 3.9	− 4.6
Chest Rubs	+ 9.2	+ 5.3	− 6.8
Cough Remedies	+ 1.5	− 2.7	− 5.6
Laxatives	+ 3.4	+ 2.9	+ 0.9
Sleeping Aids	+ 18.1	+ 25.1	+ 19.6
Tranquilizers	+ 0.4	+ 20.4	+ 30.9
Vitamins	+ 14.3	+ 11.7	+ 8.1
Eye Care Products	+ 31.3	+ 25.6	+ 9.8
Appetite Suppressants	*	*	+ 19.5
SHAVING NEEDS	**+ 3.6%**	**+ 10.0%**	**+ 4.0%**
Shaving Creams	+ 11.2	+ 36.7	+ 13.2
Pre-Shave Lotions	+ 5.6	+ 6.5	+ 8.5
After-Shave Lotions	+ 13.5	+ 10.2	+ 12.7
Razor Blades	− 0.5	+ 0.1	− 0.4
Razors & Blades	+ 8.4	+ 4.3	+ 8.9
SKIN CARE AIDS	**+ 4.5%**	**+ 12.9%**	**+ 12.6%**
Hand & Body Creams & Lotions	+ 2.1	+ 9.3	+ 18.1
Facial Preparations	− 0.5	+ 4.6	+ 4.4
Lip Care Products	+ 10.4	+ 37.0	+ 15.3
Suntan Lotions & Oils	+ 94.6	− 24.1	+ 67.6
Cosmetic & Medicated Skin Aids	+ 7.3	+ 7.1	+ 6.8
TOTAL ALL CATEGORIES	**+ 4.9%**	**+ 2.7%**	**+ 2.6%**



Continued from page 43

downward trend for toothpastes and powders (− 2.0 percent) and denture cleaners (− 3.3 percent). In both instances, however, the most recent declines were less pronounced than in the January 6 reporting period. There were, in addition, small year-to-year sales boosts for mouthwash (+ 2.6 percent), denture adhesives (+ 1.3 percent) and toothbrushes (+ 1.8 percent).

During the preceding two reporting periods, all of the proprietary remedy categories had shown increases in food store unit movement. In the period most recently completed, however, there were three negative figures, suggesting a January freer from colds than last year. Chest rubs declined − 6.8 percent, cough remedies − 5.6 percent and nasal spray-drops-inhalers − 4.6 percent. Within the product group, there were double-digit gains for tranquilizers (+ 30.9 percent), sleeping aids (+ 19.6 percent), appetite suppressants (+ 19.5 percent) and cold tablets (+ 11.7 percent). The gain rates versus the preceding period slowed down in the case of eye care products (+ 9.8 percent), vitamins (+ 8.1 percent), laxatives (+ 0.9 percent) and cold tablets (+ 11.7 percent). This is the first time there has been a year-to-year sales comparison among appetite suppressants, and the trend is strong for these products.

In a lather

Razor blades had a decline of − 0.4 percent, marring a record of forward progress in the shaving needs product group. Shaving creams continue to impress, and sales moved upward + 13.2 percent. There were also strong increases for after-shave lotions (+ 12.7 percent), and pre-shave lotions (+ 8.5 percent), while razor sets had an upswing of + 8.9 percent.

Finally, in the skin care aids group, each of the five product categories moved forward, resulting in an impressive + 12.6 percent gain for the entire product group. The + 67.6 percent increase for suntan lotions/sun oils was from a very small volume base in the off-season period. Hand and body creams & lotions soared, moving ahead + 18.1 percent, and lip care products also had a strong gain of + 15.3 percent. Lower rates of increase were found among facial preparations (+ 4.4 percent) and cosmetic and medicated skin aids (+ 6.8 percent).

The overall trend of HBA items monitored by SAMI would have been stronger if colds and flu items had been more in demand as the new year unfolded. ■

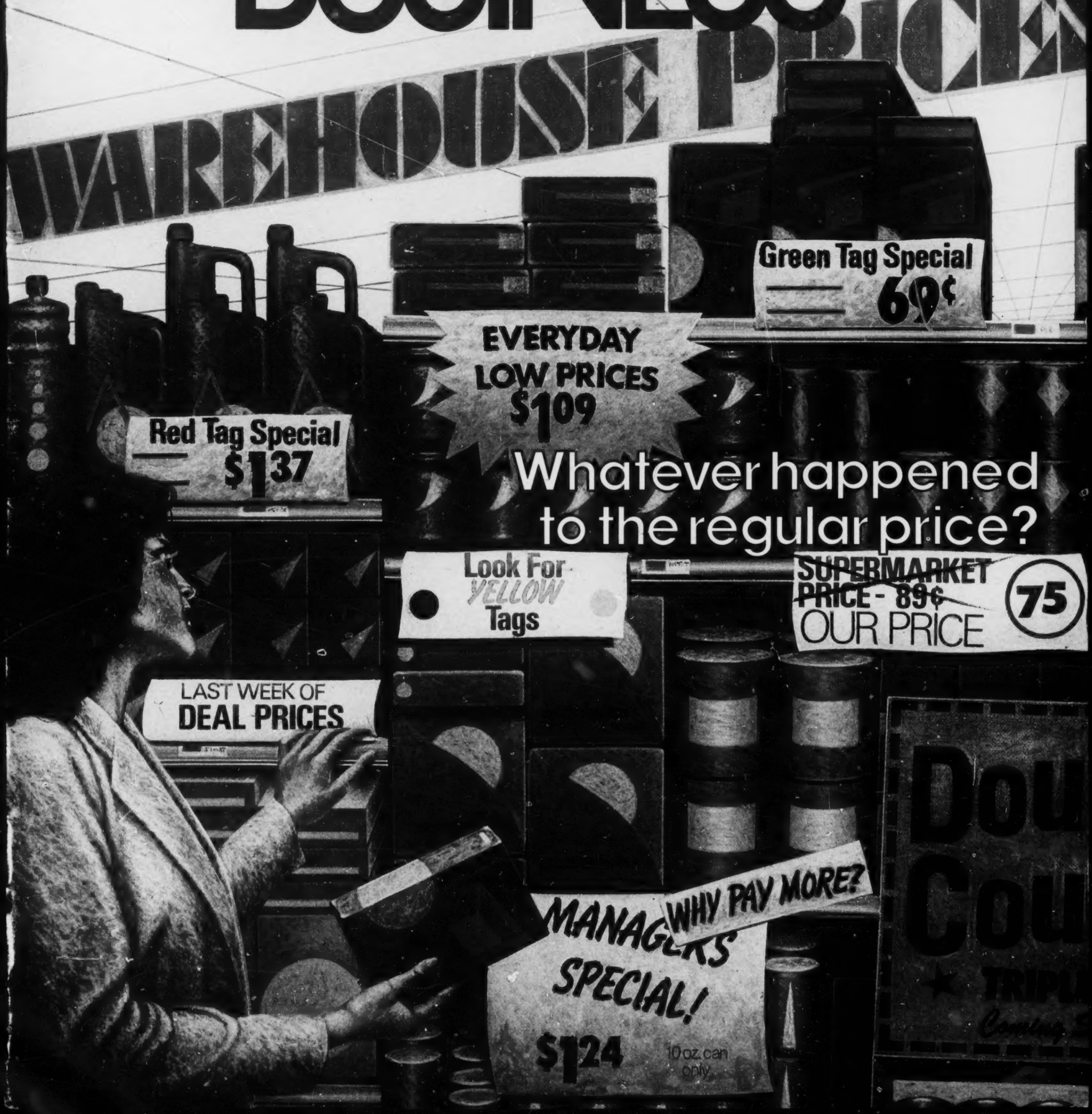
C3475-14

SUPERMARKET BUSINESS

$3.50
PER COPY

VOLUME 39/NUMBER 5
MAY 1984

In This Issue
PUBLICATIONS SUPPLEMENT
In Selected Editions Only


WAREHOUSE PRICES
Green Tag Special
69¢
EVERYDAY
LOW PRICES
$109
Red Tag Special
$137
Look For
YELLOW
Tags
~~SUPERMARKET~~
~~PRICE - 89¢~~
OUR PRICE
75
LAST WEEK OF
DEAL PRICES
WHY PAY MORE?
MANAGER'S
SPECIAL!
$124
10 oz. can
only
Dou
Cou
TRIPL
Coming

Whatever happened to the regular price?

SUPERMARKET BUSINESS

VOLUME 39
NUMBER 5
MAY 1984

PAGE 25

WHATEVER HAPPENED TO THE REGULAR PRICE?

Today's new store formats definitely benefit the consumer—in terms of price, variety and quality. But what about all of the new promotional deals on the market? The consumer, faced with all sorts of specials, couponing extras and heavy markdowns, may become increasingly confused about price/value relationships and brand loyalty. In the long run, the consumer can become disenchanted about store loyalty and even the supermarket itself. In this "position paper," SB looks at the conditions that have gotten us where we are today, and the pros and cons of doing—or not doing—what comes naturally to marketer and merchandiser alike.

PAGE 35

MOTT'S SHOPRITE'S MASSIVE NEW FOOD STORE

Mott's is used to big stores and big volumes. But 50,000 square feet devoted almost entirely to food and groceries indicates a shift in positioning to the market—and how far grocery retailing has come.

PAGE 39

UNCORKING THE WINE MARKET

Wine is becoming more and more popular among American consumers, as they look for alternatives to heavier alcoholic drinks. Wine can be an important—and growing—category for the retailer who knows how to merchandise the product to a specific consumer population.

PAGE 49

GROWING, GROWING, GROWN: WISCONSIN STORE IS NOW STATE'S LARGEST

The Tri City Pick 'N Save is not only Wisconsin's largest, it's among the state's most aggressive stores. Despite its enormous size, it's easy to shop and is geared to the "dual-career" family.

PAGE 56

RESEARCH STUDY: VIDEOCASSETTE RECORDERS AS TRAINING DEVICES IN THE GROCERY INDUSTRY

This study, written by three retailers as part of the Food Industry Marketing program at USC, examines, through interviews and polls, this important new training tool.

PAGE 62

JERRY'S MAKES WAVES ON SANIBEL ISLAND

Jerry's isn't the kind of store you'd expect to find on a vacation island—Sanibel Island, Fla., to be exact. Nor is it likely to be found anywhere else. Here, with elegance, savoir-faire and style, Jerry Paulsen has created a singular, single-stop shopping experience.

PAGE 69

NONFOODS BUSINESS: MERCHANDISING FOR THE GREAT OUTDOORS

Two store chains demonstrate how the selling of outdoor merchandise can be a profitable, year-round department, no matter what kind of space the store has.

PAGE 89

HUMPTY DUMPING ITS OLD IMAGE

Allied Supermarkets has had many rough financial years in the past and of late. Partly as a result, its Humpty supermarkets in Oklahoma, and elsewhere, had come to look a little shopworn. Now, Allied has undertaken a market rebuilding program to try to put the pieces back together again for Humpty.

PAGE 102

EVER UPWARD WITH GM

Space is at a premium in Manhattan, and no more so than for a supermarket. D'Agostino's has tackled some of its space problems for its ambitious GM program by going upward, and using every available bit of space—in the air or on the walls—to merchandise its products.

OTHER FEATURES AND COLUMNS

PAGE 7	EDITOR'S VIEW
PAGE 11	TRADESCAN
PAGE 18	TECHNOLOGY
PAGE 75	SAMI
PAGE 82	NEW PRODUCTS
PAGE 84	PRODUCE
PAGE 92	ON MEAT
PAGE 94	EXECUTIVE MOVES
PAGE 94	CALENDAR
PAGE 97	NEW PRODUCTS
PAGE 98	NEW EQUIPMENT

ALSO IN THIS ISSUE:
SPECIAL ADVERTISING SUPPLEMENT*
PUBLICATIONS—WORTH MORE THAN COVER PRICE

*In selected editions only.

PUBLISHER:
Jeffrey A. Schaeffer
EDITOR:
Kenneth P. Partch
SENIOR EDITOR:
Douglas T. Harris, Jr.
MANAGING EDITOR:
Robert J. Hughes
ASSOCIATE EDITOR:
Sarah Lum
ASSISTANT EDITOR:
Marianne Skoczek
ART ASSISTANT:
Karen Sockler
CONTRIBUTING EDITORS:
Meat: **Kenneth Johnson, John Francis**
Produce: **Barney H. McClure**
Technology: **Richard Shulman**
Store Planning: **David Rogers**
CIRCULATION MANAGER:
Virginia Bucci Posner
PRODUCTION MANAGER:
Daniel Coakley
DIRECTOR OF PUBLICATION RESOURCES AND RESEARCH:
Norman Bussel
(914) 528-1369

ADVERTISING SALES:
EAST:
NORTHEAST REGIONAL SALES MANAGER:
Jack Driscoll
SOUTHEAST REGIONAL SALES MANAGER:
Al Greenberger
EASTERN REGION ACCOUNTS MANAGER:
Jerry Whitman
Fieldmark Media, Inc.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
CHICAGO:
MIDWEST DIVISION SALES MANAGER:
Dave Wishard
MIDWEST REGIONAL SALES MANAGER:
Allan Preiss
Fieldmark Media, Inc.
3530 W. Peterson Ave.
Chicago, Ill. 60659
312-583-1318
WEST COAST:
Sue Merritt
Fieldmark Media, Inc.
15910 Ventura Blvd., Suite 800
Encino, Calif. 91436
818-783-5888

CORPORATE STAFF
FIELDMARK MEDIA, INC.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
212-354-5169
PRESIDENT:
Jeffrey A. Schaeffer
ADMINISTRATIVE MANAGER:
Catherine Cahill
BUSINESS MANAGER:
Eric Braunstein
CORPORATE DIRECTOR SALES AND MARKETING:
Thomas M. Rigney
AFFILIATED PUBLICATION:
Milling & Baking News
Sosland Publishing Co.
Kansas City, Mo.
COVER ILLUSTRATION:
Mark Fresh

SUPERMARKET BUSINESS Magazine (ISSN 0196-5700) is published monthly by Fieldmark Media, Inc., 25 W. 43rd St., New York, N.Y. 10036. Telephone: (212) 354-5169. Circulated free of charge to grocery retailers and wholesalers. U.S. subscriptions $32 per year; Canada, $37 per year. Foreign subscriptions $48. Single copies $3.50 except Consumer Expenditures Study (September issue) $15 per copy. (Discount prices available on multiple purchases.) Copyright © 1984 Fieldmark Media, Inc. All rights reserved. Second class postage paid at New York, N.Y., and additional mailing offices.

BPA ABP American Business Press Inc

TRADESCAN

the Setpoint Diet
the Setpoint Diet

The Setpoint Diet Kit includes a tear-out pocket guide and a menu planner.

General Food Designs Diet

WHITE PLAINS, N.Y.—With fully one in four Americans overweight and 50 percent of the population self-proclaimed "frequent dieters," the number of diet books and programs has reached what would seem to be near-explosion point in recent years.

Now, add to the long lists of weight loss literature General Foods' Setpoint Diet kit, designed for adults who wish to lose weight and keep it off, and who don't have any special dietary needs.

Central to the diet are the concepts of portion control and adequate, moderate exercise. Dr. Gilbert Leveille, who headed the team of General Foods scientists that developed the diet, explains that the Setpoint Diet is inexpensive and easy-to-follow, because no special foods are required and a menu planner is included in the kit.

The menu planner offers two weeks' worth of menus and recipes developed by General Foods Consumer Center. Many of the meals include specific General Foods' brand products, such as Tang, Post cereals, Maxwell House, Louis Rich turkey and Entenmann's baked goods.

The company is offering the Setpoint Diet program to consumers for a nominal $2.75, which covers production and handling charges. Starting this month, General Foods will run a year-long publicity campaign, kicking off with full-page ads in the top 14 consumer magazines. In addition, the diet kit will be available through professional health groups.

According to Philip L. Smith, General Foods president, the diet is just the latest of many consumer nutrition information activities it has sponsored since the formation of its Consumer Center in 1925. ■

Pork Subject Of Seminar

DES MOINES, Iowa—Food editors from some of the nation's leading consumer magazines, including *Redbook*, *Woman's Day* and *Good Housekeeping*, as well as syndicated and other newspaper food writers have accepted invitations to a four-day pork-related seminar this month—following which consumer demand for pork products could get a real push up.

Sponsored by the National Pork Producers Council, the seminar takes place here May 15-18. Among the topics to be covered are pork and today's nutrition, health and fitness trends, buying trends, microwave cookery and the latest on reduced sodium and curing processes, vacuum packaging and restructured meats. ■

Is Scanning Installation Rate Slowing?

WASHINGTON—By the end of February, this year, a total of 9,278 American supermarkets had checkout scanners in place, according to figures compiled and checked by the FMI. Of that total, 243 had been installed since the end of 1983, when 8,995 stores had them. Annualized, that represents a scanning store growth rate of *only* 18.8 percent.

Compared to the growth rates of several recent years (see chart), that's a big slowdown. And there may be a good reason that's so, according to a spokesperson for one of the leading scanner vendors: "Most installations so far have been in larger stores and chains, and a greater share of future growth will come from smaller stores and independents," he says, noting that "they don't put in anywhere near the numbers of scanners the chains do."

That source cautions, though, against reading too much into an annualized two-month installation figure. "Historically," he notes, "there's been more installation activity during the summer and in the pre-holiday period than in the early—and late—months of the year." But, he adds, "a person may be onto something in thinking that the growth rate this year is likely to be significantly lower than what we've seen of late."

Market shares among the top five suppliers of scanners "have jumped around" over the years since scanning's early years, but the players have remained the same. Their market shares last year were: NCR—37.5 percent; Datachecker—26.8; IBM—21.7; Data Terminal—6.5; and Sweda—6.2. Last year also saw a newcomer among scanning suppliers—Tec America—capture 0.6 percent of the total market. ■

Scanning Supermarkets —Year-End Figures—

Year	Number of Stores
1974	6
1975	30
1976	97
1977	176
1978	344
1979	1182
1980	2483
1981	3984
1982	5902
1983	8995

Source: Food Marketing Institute

System Shows Same Price on Shelf, Scanner

DALLAS—A "tiny" (four to six worker) Texas company recently launched a real Texas-sized (i.e. big) innovation in shelf price-changing.

The company is Dallas's Viscom Corp. Its product, now in use only in Minyard Foods' Sack 'n Save store in Irving, Tex., electronically displays prices (and other information) on shelf strips that are electronically tied to the store's scanners. As prices are changed in the latter's memory, they're also changed on-shelf. The system's developer, Viscom president Robert Woolfolk, believes it's unique—at least in this country.

In the Minyard application, the system is being tested in the frozen foods and produce sections, between which it covers "around 1,000 prices," Woolfolk says. Each presently passes through a cable to a shelf-end module then through further cables concealed behind the shelves. In this instance, the shelves were retrofitted with the cables (that is, they were installed after the shelves were in place in the store).

Two, or three, alternatives to that type installation also are being thought about, says Woolfolk. First, once the chip-based system is being volume-produced, it would be practical to prewire the shelves. Or, more simply, they could be equipped with FM radio receivers which could be fed the prices (at the same time the scanners get them) from an instore broadcasting device. Simplest yet, though, would be the use of infra-red radio waves to transmit the prices. Such a system now is being "seriously considered" by Viscom's engineers.

An installation of this system is expected to cost "around $100,000 for an average-sized supermarket," Woolfolk says. By comparison, "in a convenience store-sized application," he adds, "it might only cost around $5,000." ■

Produce Course Grows Like Mad

ITHACA, N.Y.—Cornell University's Food Industry Management Home Study Program has, during its 20 years of existence, seen some of its programs attract a lot of attention from ambitious supermarketers. Few, though, have caught on so fast as has the course entitled Produce Management and Operations, which was introduced several months ago.

Co-sponsored by Cornell and the United Fresh Fruit and Vegetable Association (UFFVA), this course by last month had attracted more than 600 enrollees, says Cornell program director George (Bud) Hayward. "It's certainly the most popular of all the (24) programs we're offering now," he says, "and it's among the most popular we've ever offered." The very most popular, he adds, has been a course on personnel training.

Hayward notes that, while individual enrollees still outnumber group participants, there is increasing interest on the part of food retailing companies to sign up several or more employees. A number of "medium to large companies" (including Syracuse, N.Y.'s P & C Food Markets, Loblaws of Toronto and Cincinnati-based Kroger) have gone the group-workshop route with the produce program.

There presently are around 14,000 people actively enrolled in these Cornell home study courses. More than 140,000 have participated in the program since its inception. ■

'Specialty' Show Due

WASHINGTON—For the increasing number of supermarketers who are "trading up," as industry consultant Leonard Schechter calls it, to gain or hold a strong position in a competitive marketplace, much of interest is likely to be found at next month's 30th International Fancy Food & Confection Show in Washington, D.C.

The show is scheduled for the capital city's Convention Center June 24-27, and will feature some seminar-type sessions as applicable for supermarket specialty and deli department managers. Further information on the show is available from Joyce Lorinstein, (212)505-1770. Outside New York State: (800) 255-2502. ■

RESEARCH STUDY:

VIDEOCASSETTE RECORDERS

As Training Devices in the Grocery Industry

This article was written by Mel Bomprezzi, Kroger Co.; Mike Halpin, Kroger Co., and Jack Shandly, Ralphs, as a research paper that was part of a Food Industry Marketing Program at USC. The writers have received a plaque at the annual Food Industry Marketing dinner at the end of April for their work.

Grocery chains in Southern California have realized the benefits of in-store video training as the marketplace expands geographically away from corporate training centers. In the grocery industry today, technological change is rapidly replacing many aspects of the industry. Presently, companies are looking toward in-store video training to provide consistent, timely, and up-to-date training for all employees throughout the chains.

The report is based on a survey of 300 store employees and personal interviews with corporate training personnel and store managers of four chains in the Southern California marketing area. The response rate to the questionnaire was 27 percent.

The findings of our study reveal that video equipment as a training medium is effective, if it is properly emphasized by store management. Without such emphasis at store level, we have found that video training is difficult, if not impossible, to implement in the stores successfully.

The study has shown that the future use of video training equipment in the grocery industry has the potential to revolutionize many aspects of training and communication.

In today's changing world, employee training programs serve an increasingly important part in the overall success of a business. In looking to the grocery industry, employee training programs help as advanced technology continues to affect the industry.

The primary goal of this study is to determine the effectiveness of video equipment as an instore training aid. This will be accomplished by measuring the training personnel's perceptions of video equipment use with the actual effectiveness at store level.

METHODOLOGY

Three methods were used to collect primary data:

(1) Personal Interviews

Personal interviews were conducted by the research team. These interviews focused on training personnel and store managers of four major food retailers in Southern California. The five store managers were selected at random from each chain to help achieve an unbiased response. We felt that if training personnel selected the store managers, we would get the company view and not the manager's personal view. The training personnel were interviewed to establish exactly:

a. Why their company made the commitment to video tapes.

b. Why they chose the style of implementation used at store level.

c. If, in their opinion, the program has been a success.

d. What they view to be the future of video training equipment.

(2) Direct Mail Survey

This survey was conducted at Vons Grocery Company. It consisted of a cover letter, the questionnaire, and a postage-paid self-addressed envelope. One hundred employees were selected by Von's training director to participate in our research. We chose this style as an alternative to the in-store survey.

(3) In-Store Survey

This survey consisted of a cover letter, a questionnaire, a plain envelope to insure anonymity and a mail bag located next to the employee time clock.

The research team selected this method assuming the employees would complete the questionnaire at the end of their shift, thus, increasing our response. Two hundred employees were selected from Ralphs Grocery Company and Safeway of Southern California.

How Video Training Equipment is Used in Various Industries Today

Presently, video training equipment is expanding rapidly in all aspects of industry. For example, Carrier Air Conditioning Company has recently transferred to using videos as a primary on-the-job training medium for their distributors. Louis Patalita, Carrier's manager of service operations, stated: "Video equipment has provided a channel for reaching many more dealers, service and sales representatives faster, and it has made the training concept an integral part of a dealer's daily operation."[1] The article went on to stress that much of Carrier's success with videos was the result of transmitting information that is vital to job performance. For example, showing technicians how to service new machines, briefing salesmen as to the important selling points of new machines and providing distributors with updates and machine improvements. All video tapes are geared toward service and point of sale improvement.

In the transportation industry, video tapes are used as a means to update transit-bus drivers in an effort to reduce residential and industrial accidents. The video tapes are made and supplied by the Hartford Insurance Group on a nationwide basis. Myron Stacks, Hartford's Assistant Director of Transportation Services Loss Control, stresses: "The films fill a void in a transit bus training that has existed for years."[2]

Illinois Bell Telephone Company has been using audiovisuals as a training aid for over 30 years. Mr. Allen, Creativity Manager for the company's audio visual training department, says: "When any new section has the need for educating their people about how to do something, we are included early on in the discussions and we put together programs to help in the general training process."[3] Despite the fact that he cannot estimate costs exactly, Mr. Allen is quite satisfied that video training works and pays off. Illinois Bell measures its video training program by way of service polling—actually calling customers and asking their opinion of the service level they receive and possible improvements. As a result, the employees have a positive incentive to view and review the training videos.

In looking at the diversity of the three industries, it is evident that each has a common bond. In each industry tremendous emphasis is put on using videos from the corporate level all the way down to the actual viewers. In every case the training medium is supplemented with some form of positive reinforcement.

FINDINGS: Effectiveness of In-Store Videos as a Training Medium in the Grocery Industry

The use of video training tapes for training and other communication purposes in the grocery industry has been growing since 1978, when Loblaws, Ltd., Toronto, became one of the first to use the training medium.[4] Presently, industry sources estimate that 30 percent of chains use video tapes for training, with that amount expected to increase to more than 50 percent by 1985.[5] In looking ahead, most chains in the industry using video training equipment hope to accumulate a library for employee usage. The average cost of equipping each store with a monitor and a playback machine is approximately $1,000. The following is a summary of some of the advantages video cassettes have over other training mediums as reported from a series in *Supermarket News*, based on interviews with corporate officials.

---

[1] "Lending Library Concept," *Air Conditioning, Heating & Refrigeration News*, August 24, 1981, p. 153.

[2] "Reinforcing Your Training Programs," *Training & Development Journal*, Vol. 35, No. 1, January 1981, pp. 42-44.

[3] *Ibid.*, pp. 43 and 44.

[4] *Supermarket Business*, Fieldmark Media, Inc., New York, New York, Volume 38, No. 10, October 1983.

[5] *Ibid.*, p. 52.

(1) Video tapes are easy to handle and do not require a high level of expertise.

(2) Video tapes provide a higher degree of uniformity in training.

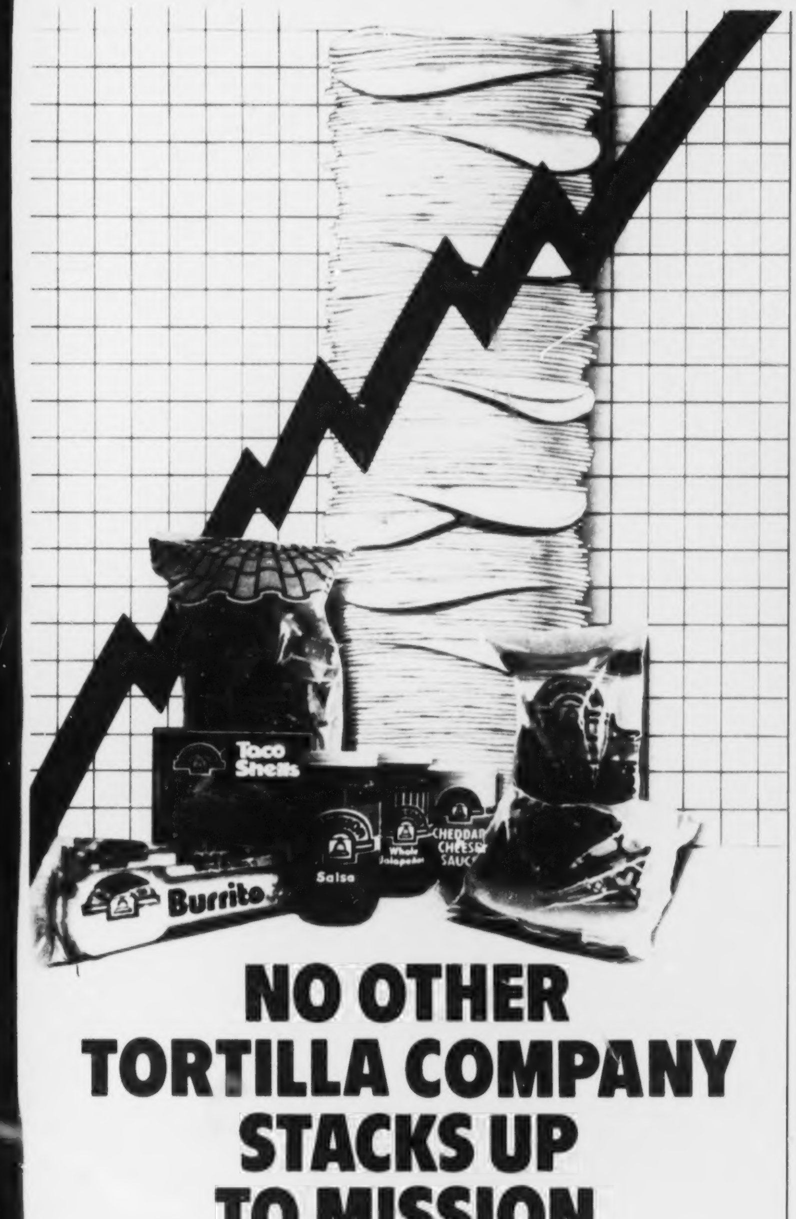
(3) On a "one-to-one" basis, an employee can study at his/her own pace.

(4) Supermarket companies can make video tapes "in-house" and get instant feedback as to their quality and

TABLE 1

Employees' Years with Company

Years with Company	Percent of Respondents	Department Breakdown	
		Cashiers	Clerks
1-2 Years	14.3%	64%	36%
3-6 Years	54.5	59	41
7-10 Years	23.4	45	55
11-14 Years	6.5	38	62
Over 14 Years	1.3	26	74



NO OTHER TORTILLA COMPANY STACKS UP TO MISSION.

Being the only national brand of tortillas isn't easy.

While all the others are concentrating on one small regional area, we have to do a good job everywhere. And we seem to be doing just that.

We now have 5 production plants in operation. High-margin snack foods like tortilla chips, tortilla strips and chicharonnes. Plus salsas, taco shells, jalapenos, burritos. And, of course our tortillas, which are always fresh or refrigerated, never frozen.

Call your Mission representative. Or dial the number at the bottom of this page, toll free.

Because no other tortilla company quite stacks up.

MISSION FOODS CORPORATION
East of the Rockies 1-800-527-1197
West of the Rockies call collect 1-415-232-0371

One of the best-known, best-selling brands in housewares.

go with the leader. SWING-A-WAY

SWING-A-WAY MANUFACTURING CO. • ST. LOUIS, MISSOURI 63116

VIDEOCASSETTES FOR TRAINING PROGRAMS

effectiveness.

(5) Video tapes provide standardization in training throughout the company.

Background Data

Our primary research was confined to the Southern California market, specifically, the top four chains in the market: Vons Grocery Company, Ralphs Grocery Company, Alpha Beta Grocery Company, and the Safeway Company.

Respondent Demographics

Table 1 reports that the majority of employees responding to the survey had three to six years'experience with their company. The average employment among the respondents was four years. The sample consisted of 74 percent part-time employees and 25 percent full-time employees. This is a good sample. The industry is just starting to use video tapes as a training medium with the recently hired employees. Because video tapes are a relatively new training medium in the Southern California market, most chains are only using videos to train cashiers and clerks. As a result, our data only includes these two occupational areas. Our data shows that less experienced employees were usually cashiers, with more experienced employees being clerks. In the grocery industry, the titles cashier/clerk are somewhat synonymous, as both perform the same job when instructed to do so.

Viewing Requirements of Respondents

Table 2 clearly shows that video training tapes are a relatively new concept in the grocery industry. Our interpretation of interviews with various training personnel showed that the future thrust is to use videos increasingly more as a training medium. Therefore, the results indicate that companies need to stiffen viewing requirements and use video training tapes at a higher frequency. In relation, Table 3 indicates store restraints are clearly the cause of low viewing percentages. The number one problem is a lack of time made available during working hours for viewing training tapes. Next, is the lack of emphasis on the part of store managers to stress the viewing of training tapes among their employees. Our personal interviews with store managers revealed that most managers were comfortable with the video training equipment concept but stressed the time factor (labor dollars) involved was too great to really push viewing of training tapes by their employees.

Respondents Attitude Toward Video Training Equipment

Employee response to video training equipment usage clearly indicates a desire among employees to improve their job performance through this training medium. Only 10 percent of the employees in the sample felt that training tapes were useless. This presents an interesting correlation between the measurement of productivity before and after viewing. The 10 percent that felt training tapes were useless fell into two categories:

(1) Employees who viewed the training tapes, but did not have their productivity measured before or after viewing.

(2) Employees with over 10 years' experience.

TABLE 2

When and How Often Employees are Required to View Videos

Various Viewing Requirements	Percent of Respondents
View training tapes as part of hiring orientation	38%
Requirement within the store	29
Number viewing training tapes more than once a year	45

TABLE 3

Emphasis on Video Training Tapes in the Stores

Store Restraints	Percent of Respondents	
	Yes	No
Is sufficient time available to view videos during work hours?	22%	78%
Feel more time should be made available during work hours	81	19
Does store manager emphasize training films as important	40	60

TABLE 4

Employees' Feelings of Training Tapes and Productivity Measurement

Employee Response	Percent of Respondents		
	None	Somewhat	Extensively
Are training films effective in adding to your knowledge of job tasks	12% (yes)	57% (no)	28% (n/a)
Do you feel your productivity has increased since viewing the videos	26	61	13
Is your productivity measured after viewing the training cassettes	52	6	42
Do you feel training tapes are useless and should be done away with	10	85	5

The respondents who felt training films were extremely useful were employees who had their productivity measured before and after viewing the video tapes. In the personal interviews with corporate training personnel, this aspect was also pointed out. Vons Grocery Company uses productivity measurements,and "incentives" are in the form of reaching an overall productivity level in scanning, and achieving the designation as a "scanning pro."

This led to an interesting correlation in our research. Companies in the grocery industry that are just beginning to use video training equipment in most cases showed a definite attempt to measure productivity. Whereas, companies that already had sufficient video training equipment and a library of training tapes made little attempt to measure productivity. Also, grocery companies that have video training equipment in their stores provide very little means of explaining how to use the equipment. Companies that are rotating video training equipment from store to store on a weekly basis, are using training personnel to explain how to use the equipment.

OVERALL CONCLUSIONS

(1) An overwhelming majority of employees feel video tapes are a useful training medium.

(2) Employees feel the video tape training medium is important enough to allocate work time for viewing.

(3) Productivity measurement is a key aspect in making in-store video tapes an effective training medium.

(4) Increased emphasis by store management is a key to the success of this training concept.

FUTURE OUTLOOK AND RECOMMENDATIONS

Videotape training at store level has a great future. However, in interviewing corporate training personnel from the major chains, we learned that video usage is still in its infant stage. The corporation training personnel strongly expressed the future of training as being rich in video tape usage. Their ideas for future use include:

(1) Expanding video equipment into every store in their chain. (Ralphs Grocery Company has already accomplished this.)

(2) Expanding video tape usage to include major selling times of the year, such as Christmas, Thanksgiving, Easter, Halloween and Independence Day. This could eliminate the need for costly meetings throughout the year.

(3) Actual use of video tapes on the sales floor to educate the consumers. For example: how to prepare a cut of meat or how to select ripe fruit.

(4) Broadcast video tapes from corporate headquarters to actual store locations. Establishing a permanent line of communication to each of the chain's stores.

Our research team thinks these future ideas will greatly benefit the grocery industry. Our major concern is that the present means of implementation needs improvement. If the problems we discovered go unresolved, the future of video tapes as a training medium in-store will be hindered. ■

SAMI UPDATE: HBA Sales Continue to Be Strong

Sales in health and beauty aids continue to be extremely strong as the year picks up steam.

BY ALAN MILLER

The 4.3 percent increase in unit sales during the SAMI reporting period that ended March 2, 1984, represents an increase over both last year's 2.9 percent rise and the 2.7 percent gain in the immediately preceding reporting period.

HBA sales, unlike some food categories, are not noticeably affected by year-to-year difference in the dates of the observances of Lent, Easter and Passover. Nor are the SAMI sales figures inflated by the fact that February had 29 days this year; each SAMI reporting period has 28 days, regardless of the length of the month.

During February, there were sales gains in all eight product groups tracked by SAMI, ranging from a high of 10.4 percent in the case of deodorants to a low of 0.9 percent for first aid. At the category level, gains were found in 37, while losses were registered in 13. The highest gain was an impressive +36.4 percent among hair setting needs, while the sharpest declines were in relatively low volume categories: tranquilizers (−13.8 percent) and infant clothes (−10.8 percent).

Baby needs

In the baby needs product group, infant clothes, as noted, was the only category with a record of loss. Nursing supplies continue to exhibit strong sales performance and registered an 8.2 percent gain in February. More modest rates of increase were observed in baby powders (+1.1 percent) and baby oils, cream and lotions (+1.6 percent). Baby powders have returned to the plus column following several months of loss rates.

The deodorant product group showed sales vitality as a result of double-digit gain rates of 16.5 percent for roll-ons, 15.0 percent for sticks and 11.7 percent for foot deodorants and athlete's foot remedies. New product activity helps to account for brisk movement among stick deodorants and sprays. New body sprays from Gillette and Carter-Wallace are responsible for much of the expansion among sprays. There were three deodorant categories with minus trends in comparison with the reporting period a year ago. Identical percentage declines of 3.3 percent were felt by cream deodorants and feminine hygiene deodorants, while a small 1.2 percent loss took place in the feminine douche category.

There was a 12.2 percent gain for first aid antiseptics as the cortisone products continued to flourish, but first aid products—bandages, cotton,

SHA
Keller 84

SAMI

gauze and the like—experienced a decline of 1.6 percent.

All of the seven categories of hair care needs enjoyed increased sales, particularly hair setting needs (+36.4 percent), where new items have expanded the category and hair dressing needs (+14.9 percent), where the new mousse products have begun to proliferate. As usual, new products have contributed to growth in the shampoo category, notably Dimension from Lever Bros., Mink Difference marketed by Gillette, Affinity from Johnson & Johnson and Perma Soft launched by La Maur.

Conditioning

Hair conditioning rinses have returned to the gain column after an absence of several months. Increases were found both among established brands and new entries. Hair sprays had a double-digit rate of growth (+12.5 percent), while smaller gains were found among home permanent kits (+2.3 percent) and hair coloring (+2.4 percent). Four-week sales for total hair care needs rose almost three million units versus the year earlier period.

Among oral hygiene products, toothpastes and powders showed a solid gain of 4.9 percent in contrast with losses during the two previous four-week periods. Mouth washes were ahead 0.8 percent and denture adhesives grew only 0.6 percent. Losses of 1.1 percent and 7.5 percent were found among breath fresheners and denture cleaners respectively. The highest rate of gain in this product group was 8.7 percent in the case of toothbrushes.

SAMI measures 13 different categories of proprietary remedies. In eight of these, there were unit volume increases as high as 25.8 percent for sleeping aids, 14.3 percent for eye care products and 10.0 percent for vitamins, which have enjoyed strong growth for several months. Three of the five proprietary remedy categories with four-week declines were cold remedies: nasal sprays, drops, inhalers (−7.7 percent), chest rubs (−5.9 percent) and cough remedies (−5.3 percent). These same three categories show losses on a 12-week and 52-week basis as well. There was a 5.7 percent gain for appetite suppressants, a category which has just passed the one-year anniversary as a SAMI category.

All five SAMI categories of shaving needs exhibited growth, paced by razors and blades (+18.3 percent). The lowest gain rate in this sector was 4.1 percent for razor blades.

Another strong product group was skin care aids, which grew 7.9 percent in all five categories combined. The only loss was 7.7 percent for suntan lotion and suntan oil which translates to only a small number of dollars lost during the winter season.

Lip care products blossomed to the tune of +17.0 percent and hand & body creams and lotions enjoyed the third period in a row of double-digit sales gain performance. These increases have been achieved without the benefit of substantial volume from important new products.

As a result of continuing and consistent growth, health and beauty aids are increasing their share of total food store sales. ■

HEALTH & BEAUTY AIDS:
SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

	% CHANGE VS. YEAR AGO		
PRODUCT GROUP AND CATEGORY	4 WEEKS ENDING 1/6/84	4 WEEKS ENDING 2/3/84	4 WEEKS ENDING 3/2/84
BABY NEEDS	+ 5.1%	+ 2.2%	+ 2.1
Baby Powders	− 2.6	− 6.7	+ 1.1
Baby Oils, Creams & Lotions	+ 11.8	+ 7.3	+ 1.6
Infant Clothes	− 10.1	− 10.1	− 10.8
Nursing Supplies	+ 7.3	+ 5.5	+ 8.2
DEODORANTS	+ 2.9%	+ 6.9%	+ 10.4%
Sprays	− 4.3	+ 2.6	+ 8.3
Roll-On	+ 3.0	+ 10.2	+ 16.3
Stick Deodorants & Pads	+ 9.5	+ 13.3	+ 15.0
Creams	− 5.0	− 4.2	− 3.3
Deodorants & Talcum Powders	+ 1.2	− 2.2	+ 0.9
Feminine Hygiene Deodorants	− 14.5	− 16.1	− 3.3
Foot Deodorants & Athlete's Foot Remedies	+ 9.0	+ 6.6	+ 11.7
Feminine Douches	+ 6.0	+ 1.9	− 1.2
FIRST AID	+ 0.4%	+ 2.2%	+ 0.9%
Antiseptics	+ 12.0	+ 4.2	+ 12.2
First Aid Products	− 2.0	+ 1.8	− 1.6
HAIR CARE NEEDS	− 2.5%	+ 2.2%	+ 6.8%
Shampoos	− 1.7	+ 4.0	+ 5.3
Hair Sprays	+ 0.1	+ 2.3	+ 12.5
Hair Conditioning Rinses	− 9.5	− 3.6	+ 3.9
Hair Setting Needs	+ 28.9	+ 43.6	+ 36.4
Home Permanent Kits	− 2.9	+ 1.3	+ 2.3
Hair Coloring	− 1.1	− 4.1	+ 2.4
Hair Dressing Needs	+ 3.7	+ 7.2	+ 14.9
ORAL HYGIENE	− 1.8%	− 0.7%	+ 3.8%
Toothpastes & Powders	− 6.5	− 2.0	+ 4.9
Mouthwashes	+ 7.3	+ 2.6	+ 0.8
Breath Fresheners	+ 14.7	+ 11.2	− 1.1
Denture Cleaners	− 6.4	− 3.3	− 7.5
Denture Adhesives	+ 2.5	+ 1.3	+ 0.6
Toothbrushes	+ 10.9	+ 1.8	+ 8.7
PROPRIETARY REMEDIES	+ 4.8%	+ 2.0%	+ 1.1%
Antacids	− 1.4	+ 1.3	1.3
Internal Analgesics	+ 3.0	+ 4.4	+ 4.1
External Analgesics	+ 1.4	+ 8.7	+ 2.4
Cold Tablets	+ 18.7	+ 11.7	+ 4.4
Nasal Sprays—Drops—Inhalers	+ 8.9	+ 4.6	− 7.7
Chest Rubs	+ 5.3	− 6.8	− 5.9
Cough Remedies	2.7	− 5.6	− 5.3
Laxatives	− 2.9	− 0.9	− 0.7
Sleeping Aids	+ 2[illegible].1	+ 19.6	+ 25.8
Tranquilizers	20.4	+ 30.9	− 13.8
Vitamins	+ 11.7	+ 8.1	+ 10.0
Eye Care Products	+ [illegible]	+ 9.6	+ 14.3
Appetite Suppressants		+ 9.5	+ 5.7
SHAVING NEEDS	[illegible]%	+ 4.3%	+ 6.6%
Shaving Creams	+ [illegible]	+ 10.9	+ 11.8
Pre-Shave Lotions	+ [illegible]	+ 2.3	+ [illegible]
After-Shave Lotions	+ 10.[illegible]	+ 12.7	+ 10.9
Razor Blades	+ 0.[illegible]	+ 3.4	+ 4.1
Razors & Blades	+ 4.[illegible]	+ 8.9	+ 18.3
SKIN CARE AIDS	+ 12.[illegible]%	+ [illegible]%	+ 7.9%
Hand & Body Creams & Lotions	+ 19.9	+ 13.1	+ 11.6
[illegible]	[illegible]	[illegible]	+ 4.5
Lip Care Products	[illegible]	+ 15.3	+ 17.0
Suntan Lotion & Oils	[illegible]	+ 67.5	− 7.7
Cosmetic & Medicated Skin Aids	[illegible]	[illegible]	+ 1.0
[illegible]	[illegible]	[illegible]	[illegible]

Looking at Nutritional Facts About Meat

There's been a lot of information in the mass media lately about diet, health and nutrition. Some of these news items have implicated meat—but others take the opposite view.

Consider this quote from a widely syndicated newspaper column, "On Nutrition," written by Dr. Jean Mayer and Jeanne Goldberg R.D.:

"Many people today have unrealistic notions about what nutrition can accomplish. To hear the claims of certain enthusiasts, nutritional treatments can reverse the aging process, provide superhuman energy, guarantee against illness and cure a number of chronic diseases, including cancer." The columnists also stated that although nutrition certainly has an important role to play in preventive medicine, it has been unquestionably oversold. Mayer and Goldberg speculate that one of the reasons nutrition has been oversold is because it is a young science, which makes it vulnerable to misinterpretation.

The plain and simple fact is that contradictory information about diet and nutrition abounds within the consumer marketplace. There may already have come a time when meat department personnel, or even management has questioned the wisdom of promoting the sale of products that have been associated with heart disease and cancer. And if meat departments are in the business of helping supermarkets make a profit, how is the meat, diet and health controversy affecting the profitability of the meat department?

First, we need to address some of the recent health issues involving meat products, levels of consumption and meat's contribution to the American diet.

For years, meat *production* figures have been mistakenly interpreted as meat *consumption* figures—as either a carcass or retail weight figure. For purposes of tracking trends, these are reliable and easily calculated figures. But for a reflection of the dietary contributions of meat, a conversion to cooked, edible portions must be made, accounting for bone removal, cooking losses and fat trimmed before consumption.

Consider beef, for example. In 1982, the per capita consumption on a *carcass weight* basis was 104.4 pounds, or 77.3 pounds on a *retail weight* basis. But fewer pounds are actually consumed. In fact, when the bones are removed, the beef is cooked and half of the fat is trimmed (from retail trim), the figure drops to about 58 pounds, 11 of which are in the processed form and 47 of which represent beef cooked from the fresh state.

The average American did not eat 139.4 pounds of red meat in 1982, but he did eat 91.1 pounds, on an "as consumed" basis. That's 3.99 ounces of all red meats per person per day. (Keep in mind the dietary recommendation that we consume two 2-3 ounce servings from the meat group.

According to Table 1, the argument that meat consumption is too high doesn't hold water—especially when you consider that there's no such thing as an "average consumer."

Recognizing that the frequency of use varies, a 1983 study, "Consumer Climate for Meat Products," conducted by Yankelovich, Skelly and White, was commissioned to determine what types of consumers eat various red meat products—and how often. For the ground beef, fresh beef other than ground, fresh pork and processed meats—frequency of use segments were identified. They divide the households into heavy users (four times or more during a two-week period), moderate/light users (serving beef one to three times during a two-week period) and occasional users. In order to represent the entire user population, it was estimated that occasional users consume beef at a level one-sixth that of the moderate/light user group. Table 2 expresses daily consumption among product categories.

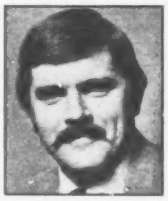
With a clearer understanding of actual consumption, the contribution of red meat to the U.S. diet can be calculated by using recently completed studies by the U.S. Department of Agriculture profiling the new nutrient composition of beef, pork and lamb. Table 3 provides the specific contribution for average and heavy red meat users.

Cholesterol. The recently released Coronary Primary Prevention Trial provides valuable information about the correlation between serum cholesterol (i.e., cholesterol in human blood) and heart disease. However, it was a drug intervention trial, not a diet study, and provided no information whatsoever about the alleged relationship between *dietary* cholesterol and *serum* cholesterol.

It's often overlooked that cholesterol is an *essential* part of our body chemistry. The body can manufacture from 800 to 1500 mg of it daily even if no cholesterol is consumed in the diet. Furthermore, the body absorbs only about 15 percent of dietary cholesterol.

Even so, consider the American Heart Association's recom-

Continued on page 101



By
John Francis,
National
Livestock and
Meat Board

TABLE 1.

Red Meat "Eaten" Per Capita for 1982

in pounds

	Carcass Wt.		Retail Wt.	Edible Portion Wt.	
		Fresh		Processed	Total
Beef	104.4	77.3	47.22	11.05	58.27
Pork	62.7	59.0	7.61	22.88	30.49
Veal and Lamb	3.7	3.1	2.05	.29	2.34
Total	170.8	139.4	56.88	34.22	91.10

TABLE 2.

How Much Meat Do We Eat?

(all figures are ounces eaten per day)

Consumer Segments	Fresh Beef Other Than Ground Beef	Ground Beef	Fresh Pork	Veal	Lamb	Processed Meat
Occasional Users.	.073	.165	.061	NA*	NA*	NA
Moderate/Light Users	.436	.986	.364	NA	NA	.972
Heavy Users	1.216	2.986	1.110	NA	NA	3.356
Total Meat Users	.677	1.466	.405	NA	NA	1.653
Avg. for U.S. Population	.650	1.422	.345	.040	.034	1.504

*Figures not available because 1983 report by Yankelovich, Skelly and White did not include veal or lamb usage categories.

TABLE 3.

Heavy Users, Average Users: What Does Meat Contribute?

	Heavy Users		Average Population	
	Units	% of RDA*	Units	% of RDA*
TOTAL MEAT—oz.	8.74	NA	3.99	NA
Protein—g	55.7	99.5	25.5	45.5
Lipids—g	52.3	NA	23.7	NA
Kcal	718 NA	327	NA	
Cholesterol—mg	191 NA	87	NA	
Iron—mg	5.255	52.6	2.476	24.8
Zinc—mg	10.129	67.5	4.771	26.5
Sodium—mg	1215 NA	546	NA	
Thiamin—mg	.718	51.3	.298	21.3
Riboflavin—mg	.577	36.1	.258	16.1
Niacin—mg	9.529	52.9	4.277	23.8
Vitamin B-12—mcg	4.488	149.6	2.130	71.0

*Percent of Recommended Dietary Allowances for adult male aged 23-50.

PRODUCE

Continued from page 86

Again this year, the Papaya Administrative Committee will support the sale of their products with a program of consumer public relations, in-store demonstrations and point-of-purchase distribution. Two new items included in this year's promotion program are backroom ripening charts for the trade and a consumer version for display purposes in the produce department.

Kiwifruit: The summer kiwifruit volume comes from New Zealand, and again this year approximately 1.5 million trays of kiwis (the same as last year) will be shipped to Northern California from New Zealand.

The New Zealand Kiwifruit Commission will support the effort with a massive merchandising program including point-of-sale kits, in-store demos, and other support activities. Kiwi continues to make headlines in magazines and newspaper food pages, and the industry is capitalizing on this with an aggressive public relations program.

Mangos: Mangos are one of the fastest-growing fruit items in the United States, with Mexico supplying better than 80 percent of the total production and approximately 10 percent coming from Florida and 10 percent from the Caribbean.

Approximately 70 million pounds will be distributed from the sources, during June, July and August.

Limes: Florida continues to be the dominant factor in supplying the U.S. market with limes, although Mexico is once again shipping to the United States. Present estimates are that approximately two-thirds of the total lime volume will come from Florida and one-third from Mexico. (California produces a modest volume as well.) During the summer period, approximately 50 million pounds of limes will be sold throughout the United States.

Altogether more than $25 million will be invested by growers and distributors of summer fruit to make this year the biggest volume year ever. It should be a record year for supermarket cash registers as well as fruit growers and shippers! ■

MEAT

Continued from page 92

mendation that daily dietary cholesterol intake be limited to 300 mg for the general population. A serving of beef contains 73 mg cholesterol, while pork stands at 79 mg and lamb at 78 mg per serving. The average contribution of cholesterol from red meat, then, averages only 87 mg a day, or 29 percent of the American Heart Association's recommendations.

Fat. Many health professionals suggest that Americans limit their fat intake to 30 percent of calories. An adult male has a 2700 daily calorie budget. The average user consumes 23.7 grams of fat a day from meat (less than one ounce), or 214 calories, which is about eight percent of the daily calorie budget. Even the heavy user is under the 30 percent mark (27 percent).

What about saturated fats? Isn't meat fat all saturated? No, the nutrient composition studies by the USDA have determined that only 48 percent of the fat in beef is saturated, pork fat is only 36 percent saturated and lamb fat is 56 percent saturated.

Sodium. For those concerned about dietary sodium, fresh meats generally range in the 60 to 80 mg level per three ounce serving. Sodium is also a functional ingredient in processed meat products. All totaled, our average daily consumption of sodium from all red meats, processed included, is about 550 mg. Over 90 percent of the sodium consumed from meat is from processed meats. The Food and Nutrition Board of the National Research Council suggests a range of 1100-3300 mg sodium consumed per day as a level considered "safe and adequate."

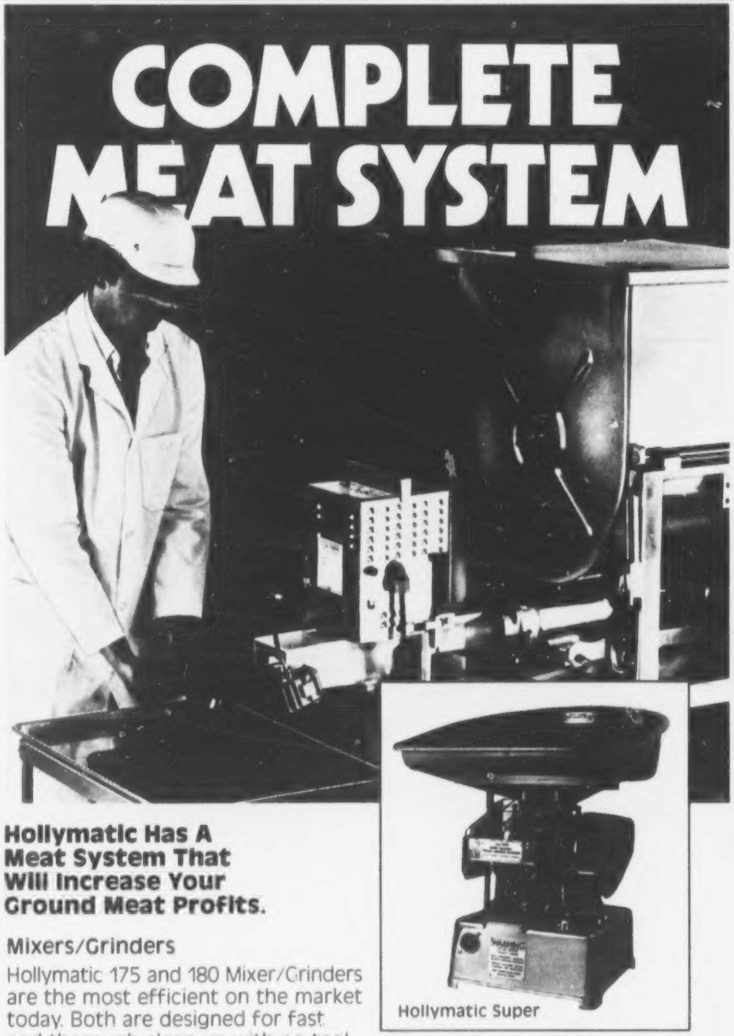
Nutrition information can be a key factor in any meat department merchandising program. Our present level of meat consumption fits well into dietary recommendations for consuming two 2-3 ounce servings from the meat group daily. But knowing that nearly two-thirds of all consumers are eating less than four ounces of red meat per day suggests excellent opportunities for *expanding* meat sales through target marketing. ■

For further information, write me at The Meat Board, 444 N. Michigan Avenue, Chicago IL 60611.

BATTERY REPS WANTED

Famous internationally known mfg. of full line of high quality batteries will shortly open U.S. market. Generous commissions. Call or write in complete confidence giving full particulars including territory and classes of trade called on.

Mr. David Plesser
Elmo Mfg. Corp.
70 New Hyde Park Rd.
New Hyde Park, NY 11040
(516) 775-3200



Hollymatic Has A Meat System That Will Increase Your Ground Meat Profits.

Mixers/Grinders

Hollymatic 175 and 180 Mixer/Grinders are the most efficient on the market today. Both are designed for fast and thorough clean up with no tool disassembly. Completely automatic from first grind…blend…to final grind.

Precision Meat Bulkers

Portions ground meat precisely from 8 to 32 ounces. Produces a loaf with clean, squared corners on each portion for a neat, attractive appearance. Meat stacks easily in meat case. Paper is automatically dispensed under each portion to greatly retard meat color change and extend shelf-life.

Hollymatic Super

The Hollymatic Super has been used in more supermarkets, restaurants, meat plants and institutions than any other patty machine available today. The Super produces uniform patties with customer appeal. Molds are available for different shapes. All machines are easy to operate and designed for quick cleaning.

For more information on systems that can increase your ground meat profits–contact your local Hollymatic dealer today!

Hollymatic®

HOLLYMATIC CORPORATION 600 E. Plainfield Road
Countryside, IL 60525 312/579-3700

SEE US AT THE FMI SHOW BOOTH #627

NOTE

ONLY THE FOLLOWING PAGES OF THIS

PUBLICATION HAVE BEEN FILMED:

Cov. 1, p.3, 19, 22-25,

27-28, 31-32, 35, 38, 41-42,

45-46, 49-50, 53-54, 57-58,

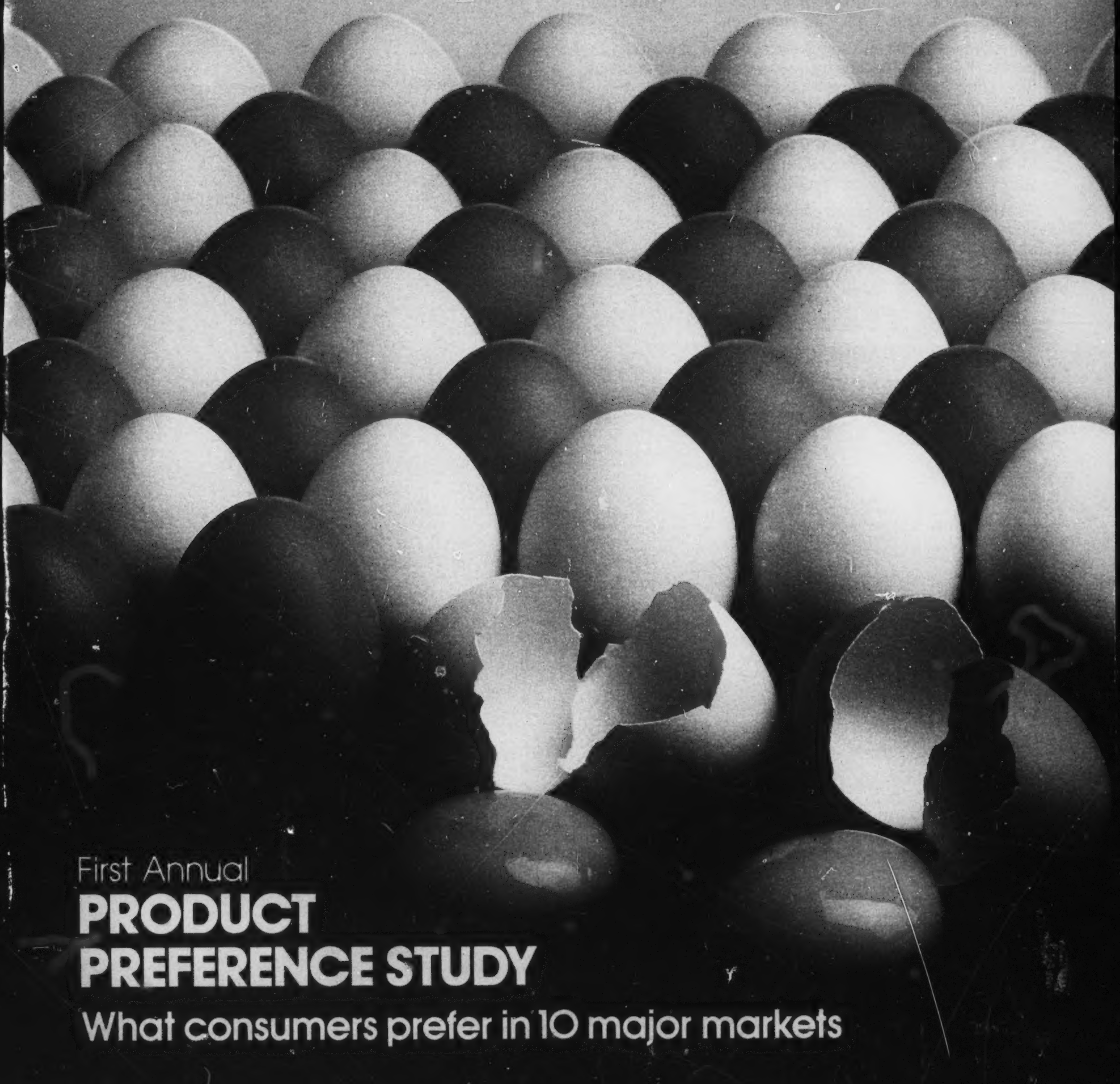
61-62, 65-66, 78, 81, 83.

SUPERMARKET BUSINESS

$3.50
PER COPY

VOLUME 39/NUMBER 6
JUNE 1984

6/12/84
C3475-1A



First Annual

PRODUCT PREFERENCE STUDY

What consumers prefer in 10 major markets

PUBLISHER:
Jeffrey A. Schaeffer

EDITOR:
Kenneth P. Partch

SENIOR EDITOR:
Douglas T. Harris, Jr.

MANAGING EDITOR:
Robert J. Hughes

ASSOCIATE EDITOR:
Sarah Lum

ASSISTANT EDITOR:
Marianne Skoczek

ART:
Karen Sockler

CONTRIBUTING EDITORS:
Meat: **Kenneth Johnson,**
John Francis
Produce: **Barney H. McClure**
Technology: **Richard Shulman**
Store Planning: **David Rogers**
Washington: **S.S. Filippone**

CIRCULATION MANAGER:
Virginia Bucci Posner

PRODUCTION MANAGER:
Daniel Coakley

DIRECTOR OF PUBLICATION
RESOURCES AND RESEARCH:
Norman Bussel
(914) 528-1369

ADVERTISING SALES:

EAST:
NORTHEAST REGIONAL SALES
MANAGER:
Jack Driscoll

SOUTHEAST REGIONAL SALES
MANAGER:
Al Greenberger

EASTERN REGION ACCOUNTS
MANAGER:
Jerry Whitman
Fieldmark Media, Inc.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036

CHICAGO:
MIDWEST DIVISION SALES MANAGER:
Dave Wishard

MIDWEST REGIONAL SALES MANAGER:
Allan Preiss
Fieldmark Media, Inc.
3530 W. Peterson Ave.
Chicago, Ill. 60659
312-583-1318

WEST COAST:
Sue Marritt
Fieldmark Media, Inc.
15910 Ventura Blvd., Suite 800
Encino, Calif. 91436
818-783-5888

CORPORATE STAFF
FIELDMARK MEDIA, INC.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
212-354-5169

PRESIDENT:
Jeffrey A. Schaeffer

ADMINISTRATIVE MANAGER:
Catherine Cahill

BUSINESS MANAGER:
Eric Braunstein

CORPORATE DIRECTOR
SALES AND MARKETING:
Thomas M. Rigney

AFFILIATED PUBLICATION:
Milling & Baking News
Sosland Publishing Co.
Kansas City, Mo.

COVER PHOTOGRAPHY:
Jerry and Nancy Palubniak

SUPERMARKET BUSINESS Magazine (ISSN 0196-5700) is published monthly by Fieldmark Media, Inc., 25 W. 43rd St., New York, N.Y. 10036. Telephone: (212) 354-5169. Circulated free of charge to grocery retailers and wholesalers. U.S. subscriptions $32 per year; Canada, $37 per year. Foreign subscriptions $48. Single copies $3.50 except Consumer Expenditures Study (September issue) $15 per copy. (Discount prices available on multiple purchases.) Copyright © 1984 Fieldmark Media, Inc. All rights reserved. Second class postage paid at New York, N.Y., and additional mailing offices.

BPA ABP American Business Press Inc

SUPERMARKET BUSINESS

VOLUME 39
NUMBER 6
JUNE 1984

PAGE 19

FIRST ANNUAL PRODUCT PREFERENCE STUDY THE TEN MARKET "COUNTRY WITHIN A COUNTRY"

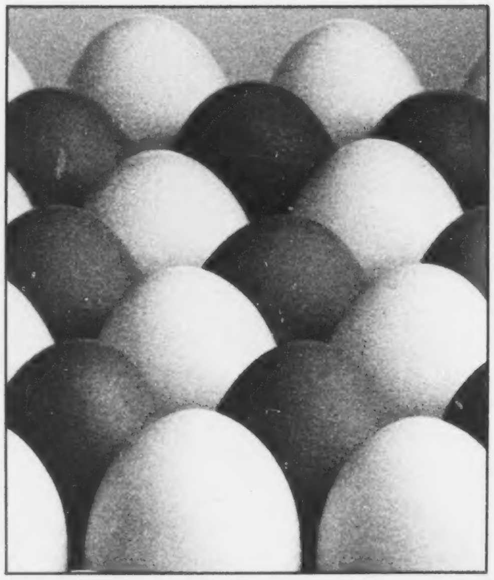
The much reported "homogenization" of America isn't all it's cracked up to be. Thanks to mass media, styles and trends in consumption seem to emerge almost almost simultaneously in Tampa and Tacoma. But, supermarket operators know that what sells on one side of town may languish on the other, given the influence of contrasting demographic mixes. How much product usage patterns can differ from one market to the other is the subject of this report.

Thanks to first-time and exclusive access to syndicated research by Mediamark Research Inc. among over 40,000 households, SUPERMARKET BUSINESS can relate the demographic and geographic characteristics of consumers to their purchasing patterns in greater depth than previously possible. The 51.8 million adults living in the subject markets comprise a veritable "country within a country." Examination of how and what they buy can provide usable data for operators in any part of the country.

HOW MRI PROBES 41,000 RESPONDENTS 22
WHAT THE BARCHARTS MEAN 22
HOW TO USE THIS REPORT 23
INDEX OF PRODUCTS 24

THE 10 MARKETS

BOSTON 27
CHICAGO 31
CLEVELAND 35
DETROIT 41
LOS ANGELES 45
PHILADELPHIA 49
NEW YORK 53
SAN FRANCISCO 57
ST. LOUIS 61
WASHINGTON, D.C. 65



PAGE 68

RE-TREADING INNOVATIONS IN AKRON, OHIO

"Nothing's original here," says Russ Vernon of his West Point Market. But with only 10,500 square feet of selling space and some tried-and-true merchandising ideas, along with a healthy dose of individual flair, this store is managing to keep the competition at bay. And do some of the best food retailing in the state.

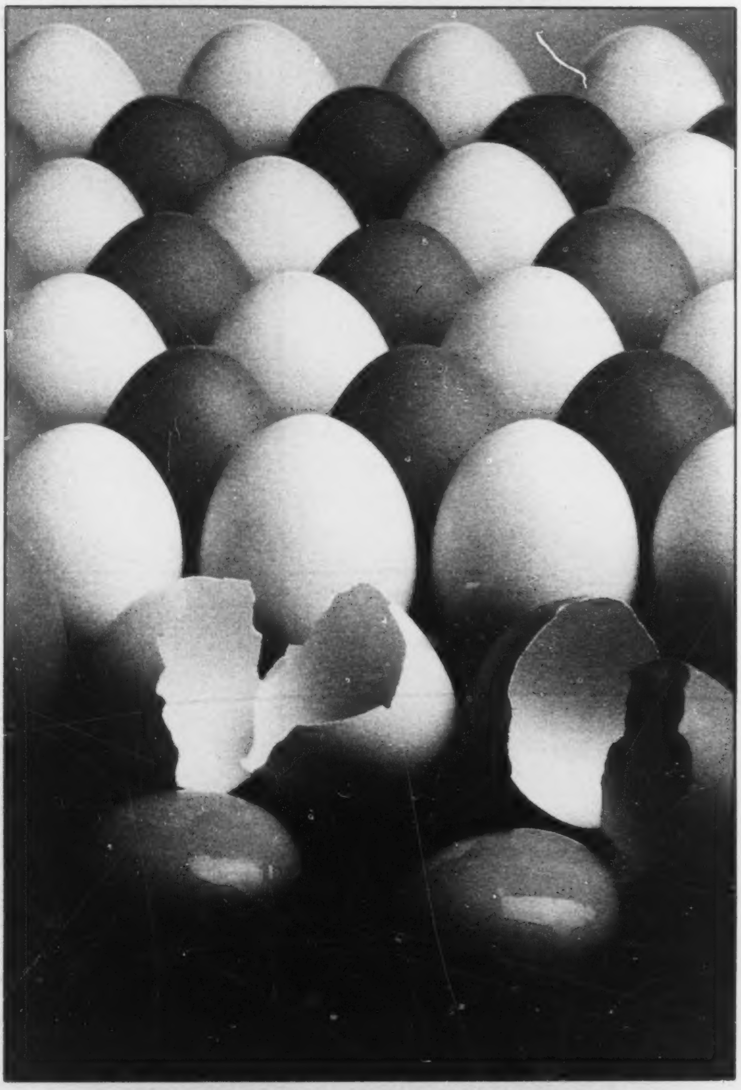
OTHER FEATURES AND DEPARTMENTS

EDITOR'S VIEW PAGE 5
TRADESCAN PAGE 7
TECHNOLOGY PAGE 15
NEW PRODUCTS PAGE 79
EXECUTIVE MOVES PAGE 80
CALENDAR PAGE 80
SAMI PAGE 82
NEW PRODUCTS PAGE 86

FIRST ANNUAL PRODUCT PREFERENCE STUDY

THE TEN MARKET 'COUNTRY WITHIN A COUNTRY'

BY ROBERT DIETRICH



BOSTON • CHICAGO
CLEVELAND • DETROIT
LOS ANGELES • PHILADELPHIA
NEW YORK • SAN FRANCISCO
ST. LOUIS • WASHINGTON, D.C.

If population were the only criterion, the 10-market "country within a country" reported on here for the first time could take a seat at the United Nations and outrank countries such as Egypt and Turkey.

The 51.8 million adults living in 10 major ADI's (Areas of Dominant Influence) account for 31.9 percent of the U.S. total. What they buy in supermarkets evidences such astounding variations from market to market, that any concept of one homogeneous U.S. market—or an average American consumer—must go out the window.

Consider, for example, that a San Franciscan is 150 percent more likely to buy imported beer than a Clevelander. Or that a homemaker in Boston is 118 percent more likely to buy brownie and cookie mixes than one in Detroit.

Such differences are evidence of the economic power generated when two major tides meet in the supermarket aisle—one of regional determination and another of demographic determination.

While study of variations in the consumption of any single product in the 10 markets can be both fascinating and profitable, securing, organizing and interpreting the data would be a Herculean task even in this age of computers.

Fortunately, SUPERMARKET BUSINESS readers now have access to the largest and most comprehensive databank of its kind in the first large-scale publication of the data. Mediamark Research Inc., N.Y., has made available exclusively for this issue data based on detailed interviews with 41,010 adults (20,730 of whom live in the 10 markets).

The usage figures have been organized into 18 categories, roughly comparable to supermarket departments, to facilitate a store operator's evaluation of product performance relative to his or her own operation.

As is further detailed in the "How to" section, the usefulness of this study is not limited to retailers who happen to be in one of the 10 markets. At the beginning of the two-page presentation for each market, the figures for Outstanding Demographics enable retailers to decide which market is most similar in profile to their own market or trading area and then to make use of the product preference data.

No store, of course—even those falling within one of the 10 markets—will have a customer mix which precisely duplicates that in any of these markets. The purpose of this study is not to provide ready-made answers, but rather to present valuable, and previously unavailable to a universal industry readership, data that can stimulate a meaningful reappraisal of product mix.

Continued on page 22

Continued from page 19

HOW MRI PROBES 41,000 RESPONDENTS

Mediamark Research Inc., is a market reserach firm that serves a broad list of consumer product advertisers, advertising agencies and media with exclusive syndicated research data. Data projectible to the U.S. population are generated for over 800 product categories and product types, and more than 4,000 brands.

In addition, media measurements include readership of 165 magazines, as well as broadcast media habits, including radio listening and cable TV.

Each year, in a massive operation, MRI interviews 20,000 respondents in the course of two waves of fieldwork. The enormous sample size enables valid interpretation of product usage and media habits by various demographic segments. The data generated are used primarily for maximizing the effectiveness of advertising expenditures.

Half of MRI's annual sample is allocated to 10 major markets or ADI's (Areas of Dominant Influence), enabling MRI to publish statistically reliable data on each of the markets to meet the interests of its subscribers in the marketing and advertising communities.

The data that are presented in this report come from MRI's 1983 10 Mediamarket Survey, which is based on data from four waves of interviews over two years.

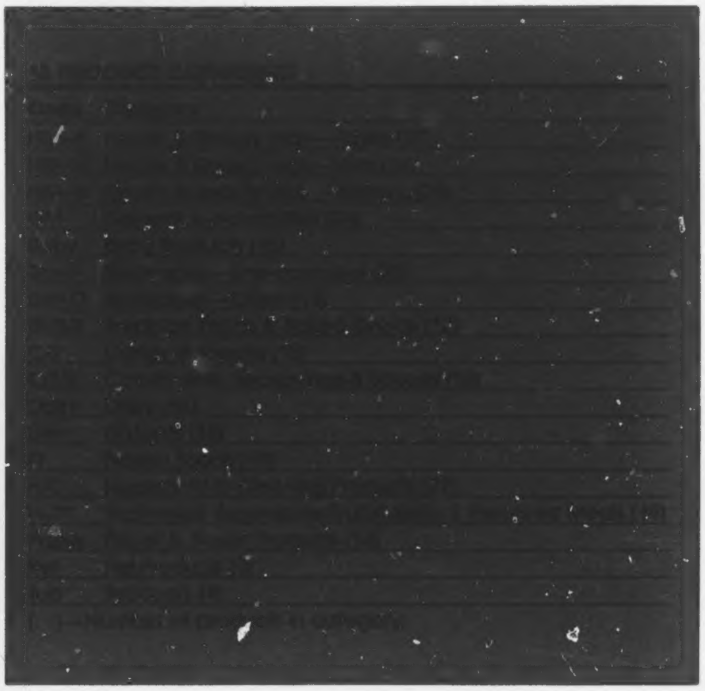
While the 10 Mediamarket Survey is a valuable tool for the allocation of advertising monies, it should be stressed that the survey is a supplement to MRI's major release each year of 20 volumes of product usage data cross-tabulated by demographics and media habits.

NOTE TO READER: The MRI data presented in this report are under copyright by Mediamark Research Inc. and are presented here with their permission.

WHAT THE BAR CHARTS MEAN

For each of the 10 markets included in this study, usage patterns are charted for 18 major product categories (see table). Although several categories contain over two dozen kinds of products, space limitations permit only the most "actionable" figures to be shown.

This means that only the five products where consumption in the market is most *above* the U.S. average, and the five where consumption is most *below* the U.S. average are shown.



The example shown here is the Candy & Snacks category in Boston. Out of the 15 types of products included in this category, the five that most exceed the norm are Cookies, Crackers, Potato Chips, Hard Roll Candy and Nuts. Cookies, for example, achieve heavy usage (four or more packages in the last 30 days, as shown in the Index) among 18.7 percent of U.S. female homemakers. But in Boston the incidence is 26.9 percent—an outstanding 44 percent edge over the national figure. The story is similar for the other four "plus" bars that are charted.

Expectedly, Bostonians don't sate themselves with every variety of Candy & Snacks. In a polar relationship to Cookies, we find Snack Cakes, with a consumption pattern that falls short of the national incidence by 27 percent, along with four other underachievers. Going briefly through the arithmetic here, 34.1 percent of U.S. homemakers report they are buyers of snack cakes, but the 24.9 percent rate in Boston falls 27 percent short of this.

Store operators in Boston—or in an area whose demographics are similar—might want to consider whether their stocking and inventory policies fully reflect these dramatic differences.

Other markets, of course, show the flip side of the Boston profile. In San Francisco and Washington, D.C., for example, Cookies show little snap; and in Pittsburgh and St. Louis Snack Cakes twinkle with heavy consumption.

In considering the 10 markets for a moment as a kind of "country within a country," the picture is primarily one of diversity among the markets where, as in the cases of Cookies and Snack Cakes, some markets are far above average in usage while others are far below. But this urban conglomerate created by the MRI computers also exposes some pockets of amalgamation, where the 10 markets pull away from the rest of the country by uniformly registering either extremely high or extremely low relative preference for a category.

If, for example, the 10 markets were considered as a unity, consumption of Flavored and Seasoned Rice Mixes would surpass the national norm by an astounding 29 percent. By the same token, evaporated milk would underperform by 24 percent.

While keeping such kinks in comparative market performance in mind, however, what's most prevalent—and most actionable—in the data shown in this report are the *differences* in product usage from one market to the next. How an understanding and recognition of these differences can be applied to your own operation is discussed in the section on "How to Use This Report."

HOW TO USE THIS REPORT

"You are what you sell" (or, at least, what you offer for sale) might well be the supermarket operator's credo. Every day you orchestrate the progression of a tide of products from your suppliers' processing plants and warehouses to your customers' pantries and refrigerators.

Your own intuition has no doubt been honed by experience into a sixth sense that divines the *kinds* of products your customers will want to buy. But there's no harm in supplementing that asset with a *seventh* sense in the form of market research that is accurate, detailed, projectable and—most important—applicable to your operation on a day-to-day basis.

Even if you don't happen to be operating in one of the 10 markets included in this report, you can put these data to work. What distinguishes any one of these markets is demographics. For each market we've shown what are called Outstanding Demographics, which are the ways in which that market's population of female homemakers exceeds the national norm by at least 10 percent in any of these seven demographic characteristics:

—Age
—Education
—Employment status
—Size of Household
—Household income
—Marital status
—Race

From what you already know about your market and your own trading area, you can easily identify which market or markets resembles your situation. (Perhaps San Francisco, with its tilt toward younger, college-educated, single working women. Or even St. Louis, the most "average" market in its confirmation of national demographic norms.)

Once you start examining the five winners and five losers within each of the 18 product categories, you might want to take a fresh look at some of your policies and practices in the following areas:

Space Allocation—Some of the products winning big plus scores may suggest why they sell down so fast and leave you with holes on the shelf. Perhaps they need more breathing space for the lines you already carry in the form of additional facings. And a look in the order book might inspire you to expand your offerings—more brands, more flavors, more sizes, for example. The bottom of the same chart may suggest where all this additional room is coming from—from cutting back space on types of products that your types of customers just don't cotton to. No need to decapitate—just some judicious pruning.

New Item Acceptance—If the research confirms that your customers are likely to be big buyers of a certain type of product, this should increase your success score in picking new-item winners. For a product they're interested in, they're more likely to have noted the manufacturer's introductory advertising, and perhaps even to have clipped coupons in print ads, to be primed to buy. You may even want to consult with the salesperson or broker of the new product on the possibilities for special merchandising efforts. Here again, the flip side of the coin is to brake your enthusiasm for low-interest categories.

Promotions and Displays—For above-average-usage products, your customers are avid for, and receptive to, news. You can be sure that the tuna mavens scan your ad to see if you've included a special for them. They're equally aware of whether your end-aisle and other displays feature high-interest or yawn-provoking products. Too many displays occupy space and gather dust because, although the deal was good, it's the wrong product in the wrong store at the wrong time. Make way in your display space for the products your customers will be responsive to—and keep the others out of the way.

[illegible]

[illegible]

TURN TO
PAGE 24
FOR
PRODUCT INDEX

PRODUCT INDEX

Product	Percent Using Total U.S.	(Base)	Classification
A			
Adhesive bandages	59.6	(AU)*	HBA-A
Aftershave lotion	40.2	(7+ times L7D)**	HBA-M
Air filters, auto	41.6	(AB)*	GM
Air freshener sprays	35.6	(2+ cont. L3M)	H/C
Ale	6.1	(AU)*	Bev-E
Aluminum foil	27.5	(2+ rolls L30D)	Paper
Anti-freeze	51.0	(AB)*	GM
Athlete's foot remedies	12.9	(AU)*	HBA-A
B			
Baby foods	6.5	(AU)	Baby
Baby lotion	12.8	(AU)	Baby
Baby oil	19.7	(AU)	Baby
Baby ointment	12.0	(AU)	Baby
Baby powder	15.1	(3+ L7D)	Baby
Baby shampoo	17.6	(AB)	Baby
Bacon	46.1	(2+ lbs. L30D)	Pk/Pr
Baking mixes	30.3	(1+ pkg L30D)	Des
Bar soap	15.2	(7+ bars L30D)	H/C
Bar soap for babies	7.7	(AU)	Baby
Batteries	36.1	(5+ L6M)	GM
Batteries, auto	26.7	(AB)	GM
BBQ/seasoning sauces	42.9	(2+ bottles L3M)	C/S/S
Beans, prep. in a sauce	34.0	(2+ cans L30D)	Pk/Pr
Beer, domestic light/low cal	17.6	(AU)*	Bev-E
Beer, domestic regular	29.6	(2+ glasses L7D)*	Bev-E
Beer, imported	12.0	(AU)*	Bev-E
Bleach	49.4	(2+ washings L7D)	H/C
Blusher	39.0	(6+ times L7D)***	HBA-W
Books/magazines	49.9	(participated L12M)*	GM
Bread	41.8	(3+ loaves L7D)	BF/BG
Breakfast cereals, cold	56.3	(4+ portions L7D)	BF/BG
Breakfast cereals, hot	35.1	(1+ serving L7D)	BF/BG
Breakfast snack bars	13.7	(AU)	BF/BG
Brandy/cognac	8.3	(AU)*	Bev-E
Breath fresheners	29.4	(4+ times L7D)*	HBA-A
Brownie/cookie mixes	23.5	(1+ pkg L30D)	Des
Butter	35.5	(1+ lb L30D)	Dairy
C			
Cake mixes, dry	36.7	(2+ pkg L30D)	Des
Calculator, hand-held or pocket	15.4	(purchased L12M)*	GM
Candy bars, pkg of miniatures	26.5	(AB)*	C/S
Candy bars, reg. size	45.1	(1+ bars L7D)*	C/S
Candy, hard roll	22.4	(AB)*	C/S
Cassette recorder/player	12.6	(purchased L12M)*	GM
Cat food, canned	10.1	(1+ cans avg day)	Pet
Cat food, dry	18.5	(AB)	Pet
Cat food, moist	9.5	(AB)	Pet
Cat litter	13.9	(AB)	Pet
Carpet/rug cleaner	40.8	(AB)	H/C
Catsup	33.1	(2+ bottles L30D)	C/S/S
Cereals, infant	5.7	(AU)	Baby
Cheese, American	39.0	(2+ lbs L30D)	Dairy
Cheese, natural or imp.	41.7	(3+ lbs L30D)	Dairy
Cheese, spread	16.4	(AB)	Dairy
Chewing gum	29.3	(2+ packs L7D)*	C/S
Children's cough syrup	12.8	(AU)	Baby
Cigarettes	27.3	(6+ packs L7D)	Tob
Cigars	4.2	(AU)*	Tob
Coating mixes	25.5	(AB)	C/S/S
Coffee, instant or freeze-dried (decaf)	24.0	(AU)	Bev-O
Coffee, instant or freeze-dried (reg)	36.9	(AU)	Bev-O
Coffee, ground	38.9	(3+ cups avg day)	Bev-O
Cola drinks, diet	30.9	(AU)*	Bev-E
Cola drinks, reg	41.3	(3+ drinks L7D)*	Bev-E
Cold cuts, packaged	25.2	(2+ lbs L7D)	Pk/Pr
Cold/sinus/allergy remedies	48.0	(AU)*	HBA-A
Cologne/perfume	49.8	(7+ times L7D)***	HBA-W
Complexion care products, men	22.2	(AU)**	HBA-M
Complexion care products, women	56.1	(AB)***	HBA-W
Cookies	18.7	(4+ pkg L30D)	C/S
Cordials/liqueurs	16.2	(AU)*	Bev-E
Corn on the cob, frozen	15.0	(1+ pkg L30D)	FF
Corn/tortilla chips	40.9	(1+ pkg L30D)	C/S
Cottage cheese	42.3	(1+ cont L30D)	Dairy
Cotton swabs	24.4	(3+ times L7D)	Baby
Cough drops	18.1	(2+ times L7D)*	HBA-A, C/S
Cough syrup	11.6	(2+ times L30D)*	HBA-A
Crackers	48.2	(2+ boxes L30D)	C/S
Cream substitutes, non-dairy	27.1	(AB)	Bev-O
Creme hair rinse, men	23.6	(AU)**	HBA-M
Creme hair rinse, women	47.8	(AU)***	HBA-W
Cups, disposable	21.8	(3+ cups L30D)	Paper
D			
Denture cleaners	19.6	(AU)*	HBA-A
Deodorants, anti-perspirants, men	29.6	(8+ times L7D)**	HBA-M
Deodorants, anti-perspirants, women	35.2	(8+ times L7D)***	HBA-W
Depilatories	12.9	(AU)***	HBA-W
Deviled ham/other meat products	15.0	(AU)	Pk/Pr
Diarrhea remedies	16.4	(AU)*	HBA-A
Diapers, disposable	12.7	(AB)	Baby/Paper
Diet control	56.9	(AU)*	HBA-A
Dinners, frozen	20.6	(1+ L30D)	FF
Dips, ready to serve	34.4	(AB)	Dairy
Dishwashing detergent, automatic	22.5	(4+ loads L7D)	H/C
Dishwashing liquid	35.7	(10+ sinkfuls L7D)	H/C
Disposable lighters	30.9	(AU)	Tob
Dog biscuits/treats	9.8	(2+ pkg L30D)	Pet
Dog food, canned	13.0	(1+ cans avg day)	Pet
Dog food, dry	18.1	(4+ lbs L7D)	Pet
Dog food, moist	11.3	(AB)	Pet
Dough products, refrig.	39.9	(1+ pkg L30D)	Dairy

Unless otherwise noted the base population for all percentages is female homemakers. Exceptions are indicated as follows:

*Adults
**Men
***Women
The base is further identified as follows:
AU = All Users
AB = All Buyers
When only "heavier users" are included, they are defined as follows:
L = Last
D = Days
M = Months
Example: L7D = Last 7 Days.

PRODUCT INDEX

Product	Percent Using Total U.S.	(Base)	Classification
Drain cleaners	16.7	(2+ cont. L6M)	H/C
Drink additives	20.6	(2+ servings L7D)	Bev-O
Drinks, mixed	32.4	(AU)*	Bev-E
E			
Eggs	35.2	(2+ dozen L7D)	Dairy
English muffins	24.7	(1+ pkg L7D)	BF/BG
Evaporated milk	44.2	(AB)	Pk/Pr
Extracts	39.0	(AB)	C/S/S/
Eyeliner	36.9	(AU)***	HBA-W
Eyeshadow	34.5	(4+ times L7D)***	HBA-W
Eye wash/drops	29.1	(AU)*	HBA-A
F			
Fabric softeners	41.3	(4+ washloads L7D)	H/C
Face creams/lotions	21.0	(8+ times L7D)***	HBA-W
Face powder, loose	18.4	(AU)***	HBA-W
Facial tissues	24.6	(3+ boxes L30D)	Paper
Feminine hygiene deodorant sprays	12.0	(AU)***	HBA-W
Feminine hygiene douches/suppositories	29.8	(AU)***	HBA-W
Fertilizer, garden	28.9	(used L12M)*	GM
Fertilizer, lawn (w/ weed control)	19.4	(used L12M)*	GM
First aid products	21.7	(AU)*	HBA-A
Fish/seafood, frozen	27.2	(1+ pkg L30D)	FF
Flea/tick care products (dog/cat)	32.6	(AB)	Pet
Floor wax/polish	20.0	(2+ cont. L6M)	H/C
Flour	61.6	(3+ lbs L30D)	Des
Foil, aluminum	27.5	(2+ rolls L30D)	Paper
Foundation makeup	39.6	(5+ times L7D)***	HBA-W
Frankfurters/weiners	25.4	(3+ lbs L30D)	Pk/Pr
Frosting/frosting mixes	38.4	(AB)	Des
Fruit, canned or jarred	44.4	(3+ cans L30D)	Pk/Pr
Furniture polish	19.5	(3+ cont. L6M)	H/C
G			
Garbage bags/trash can liners, plastic	39.4	(3+ pkg L7D)	Paper
Gelatin desserts, flavored	40.7	(2+ pkg L30D)	Des
Gin	11.6	(AU)*	Bev-E
Gravy/sauce mixes	18.7	(2+ pkg L30D)	C/S/S
H			
[illegible] care products, women	58.4	(AU)***	HBA-W
Hair coloring products, men	7.9	(AU)**	HBA-M
Hair coloring products, women	25.1	(AU)***	HBA-W
Hair conditioner, men	23.1	(AU)**	HBA-M
Hair conditioner, women	46.2	(AU)***	HBA-W
Hair setting products	12.4	(AU)***	HBA-W
Hair spray, men	26.3	(AU)**	HBA-M
Hair spray, women	54.3	(AU)***	HBA-W
Hair tonic/dressing, men	23.8	(AU)**	HBA-M
Ham, canned	15.1	(1+ lb L30D)	Pk/Pr
Hand/body cream/ lotion, men	50.0	(AU)**	HBA-M
Hand/body cream/ lotion, women	66.3	(5+ times L7D)***	HBA-W
Hand cleaners, heavy duty	15.5	(1+ times L30D)	H/C
Hash, canned	13.2	(AB)	Pk/Pr
Headache remedies/ pain relievers	58.7	(3+ times L30D)*	HBA-A
Hemorrhoid remedies	12.6	(AU)*	HBA-A
Home permanents	16.9	(AU)***	HBA-W
Honey	33.1	(1+ jars L6M)	BF/BG
Household cleaners	21.2	(5+ pkg L30D)	H/C
I			
Ice cream/ice milk/ sherbert	39.2	(2+ pints L7D)	FF
Indigestion aids/upset stomach remedies	49.8	(AU)*	HBA-A
Infant formula, prepared	4.9	(AU)	Baby
Insecticides, garden	18.8	(used L12M)	GM
Insect repellents	29.0	(AU)*	HBA-A
J			
Jams/jellies	31.9	(2+ jars L30D)	BF/BG
Juices/drinks, fruit	28.4	(2+ glass avg day)	Bev-O
Juice, grapefruit	14.7	(1+ glass L7D)	Bev-O
Juices, tomato/ vegetable	26.0	(1+ glass avg day)	Bev-O
L			
Laundry presoaks	16.1	(3+ loads L7D)	H/C
Laxatives	22.5	(AU)*	HBA-A
Light bulbs	35.3	(6+ bulbs L6M)	H/C
Lighters, disposable	30.9	(AU)*	Tob
Lipbalm	33.6	(1+ times L7D)*	HBA-A
Lipstick/lip gloss	50.8	(7+ times L7D)***	HBA-W
M			
Magazines/books	49.9	(participated L12M)*	GM
Main courses, frozen	17.4	(1+ servings L30D)	FF
Margarine	49.0	(3+ lbs L30D)	Dairy
Mascara	42.2	(4+ times L7D)***	HBA-W
Mayonnaise/mayo-type dressing	38.9	(2+ jars L30D)	C/S/S
Meat sticks	12.3	(AB)*	C/S
Metal polish	26.7	(AB)	H/C
Mexican foods	22.6	(2+ pkg L30D)	Pk/Pr
Milk, dry	17.3	(AB)	Bev-O
Milk, evaporated	44.2	(AB)	Pk/Pr
Milk, fresh	35.5	(2+ qts avg day)	Dairy
Mints	32.6	(AB)*	C/S
Motor oil	45.1	(7+ qts L12M)*	GM
Motor oil additives	14.7	(AB)*	GM
Mouthwash	36.8	(7+ times L7D)*	HBA-A
Mushrooms, canned	21.6	(2+ cans L30D)	Pk/Pr
Mustard	31.0	(2+ jars L30D)	C/S/S
N			
Nail polish	27.2	(2+ times L7D)***	HBA-W
Napkins, paper	29.2	(2+ pkg L30D)	Paper
Napkins, sanitary	32.8	(5+ times L30D)***	Paper, HBA-W
Nasal sprays	15.2	(AU)*	HBA-A
Nonstick cooking products	32.9	(AB)	C/S/S
Nuts	43.1	(1+ cont. L30D)*	C/S
O			
Oil filters, auto	54.2	(AB)*	GM
Oil, salad or cooking	18.0	(3+ pints L30D)	C/S/S
Orange juice, frozen	32.9	(2+ glasses avg day)	FF
Orange juice, not frozen	30.7	(1+ glass avg day)	Dairy
Oven cleaners	19.2	(2+ cont. L6M)	H/C
P			
Pain relievers/fever reducers, children	23.6	(AU)	Baby

Continued on page 78

BOSTON

Hold the Beans! What They Really Want Here Is Cookies

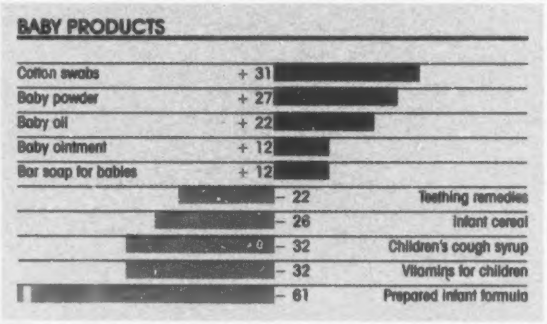
Single, college-educated women distinguish the profile of the Bostonian homemaker. Further, of the 10 markets studied here, Boston alone has a percentage of whites that is at least 10 percent above the national average. A bigger regional favorite than baked beans may well be cookies, with both packaged cookies and cookie mixes outdistancing the national averages. Bostonians don't appear to spend their spare time working on their cars, judging by the negative performance of five products in the car care category. Products related to reading find favor.

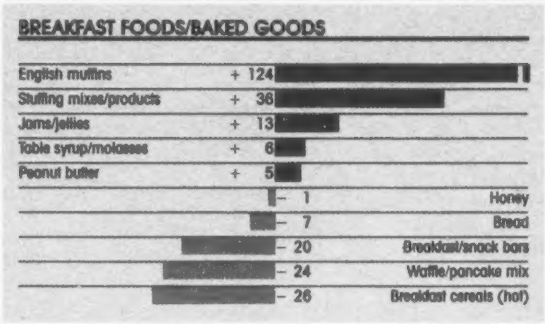
OUTSTANDING DEMOGRAPHICS* (Female Homemakers)	
55-64	+12
Graduated college	+40
Attended college	+14
Graduated high school	+16
Employed part-time	+50
3-4 person household	+11
HH income $35,000 or more	+16
Single	+60
White	+10

*Percent difference from total U.S.

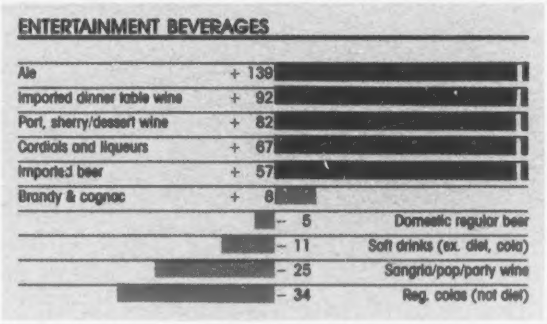
NOTE: All figures represent percent difference (plus or minus) from total U.S.

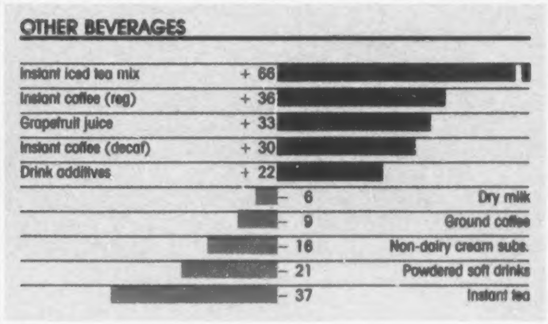
The incidence of children under six in the homes of Boston homemakers is 16.7%, by far the lowest in the 10 markets studied, validating the low consumption of non-HBA baby items here. English muffins are the breakfast of choice, along with some compatible jams or jellies.



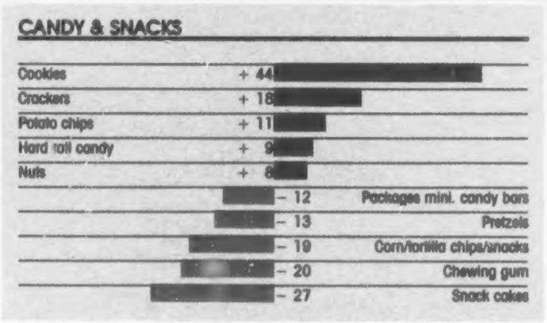


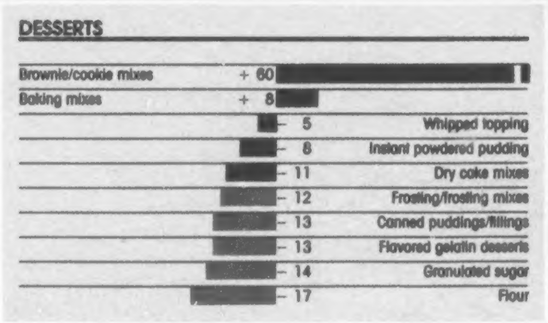
Imported beer makes a heady showing here, even edging out domestic among those aged 18 to 24, among college graduates and among higher income households. And if the Boston Tea Party were taking place today, by the way, they'd probably be dumping **instant** iced tea mix into the harbor.



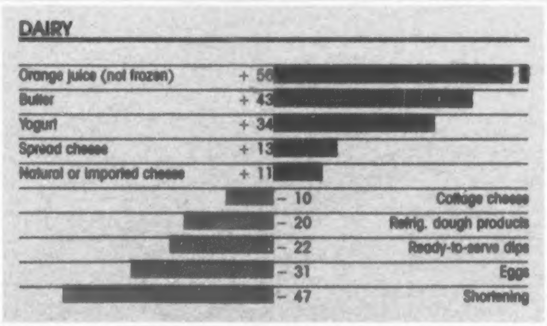


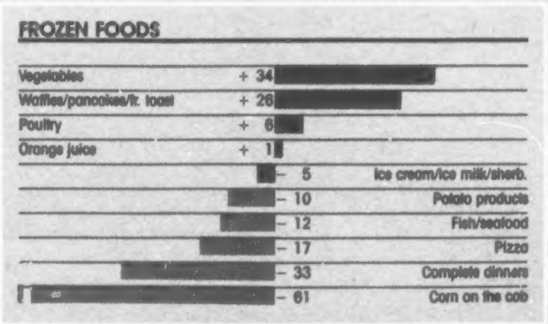
No need for capacious dessert ingredients departments here. Bostonians prefer their sweets prepared by someone else, rather than in their own kitchens. Their love for cookies, however, straddles both home preparation (from a mix) and store bought. Snack departments should reflect their preference for potato chips over corn chips or snack cakes.





Don't ask why, but stores whose clientele skews towards college graduates will find *frozen* orange moving fast, while others do well with *refrigerated* and *canned* orange juice. The frozens category as a whole, however, performs poorly in this market. Especially corn on the cob; perhaps it's an etiquette problem.





Source: Mediamark Research Inc.

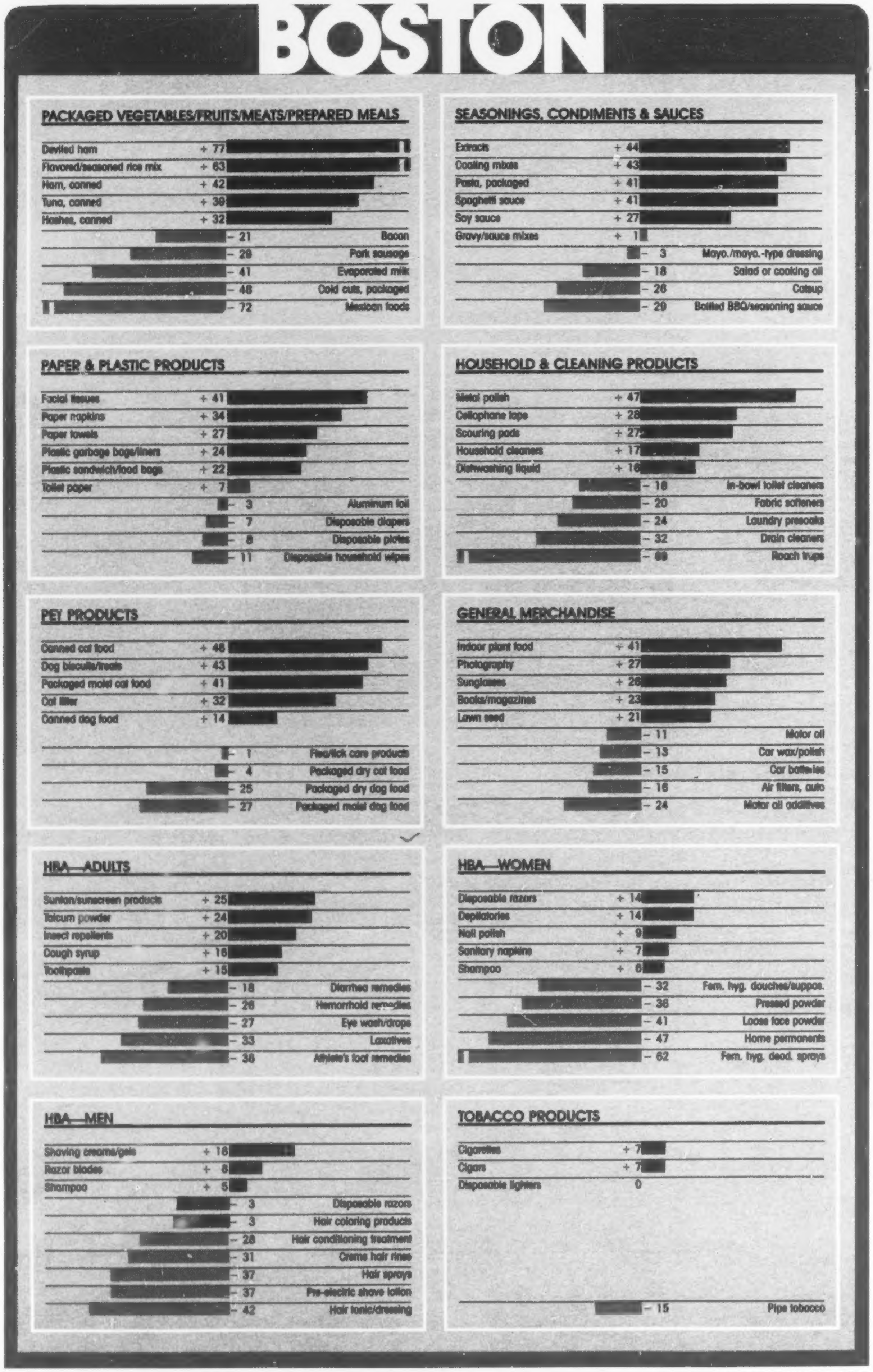
Opportunities for merchandising combinations are abundant here. The popularity of pasta and sauces extends beyond the city's traditionally Italian neighborhoods. And casseroles prepared from either ham or tuna in combination with a rice mix should also win shopper attention.

With the exception of a few disposable items, almost all paper products are popular with shoppers here. Large departments do expectedly well in trading areas with an above-average proportion of **large** households. Household cleaners tend to have far greater appeal than laundry products.

This cradle of Academe splits its pet ownership by educational accomplishment—of the petowners, that is. Cats live by and large with the college educated, and dogs with those who stopped at high school. Caring for one's own auto is not a favored leisuretime activity. Supers might give more room to reading centers and photo supplies.

An in-depth selection of remedies in supermarket HBA sections doesn't seem justified. All (including several not shown here) show usage levels below the national average. Women's HBA is also problematic, including almost every type of cosmetic and hair care product. A judicious selection of the fastest movers may be the answer.

Men's HBA products also show a general softness. College-age men tend to be slow buyers in this category, except for a few products like complexion care products, shampoo and deodorants. Cigarette smoking is more prevalent here than in the other 10 markets, particularly among those between 25 and 54.



Source: Mediamark Research Inc.

CHICAGO

Demographic Diversity Splinters Product Preference Patterns

The Chicago homemaker is more likely to have gone to college, to work part time or to be black than is the average U.S. homemaker. She often purchases products that can help save her time—such as disposables (household wipes and plates), frozens (waffles/pancakes/French toast, pizza, fish and main courses). When it comes to coffee, however, Chicagoans are above average in their predisposition to brew from ground rather than to add hot water to instant or freeze-dried. Usage of drain cleaners is higher than in any of the other nine markets.

OUTSTANDING DEMOGRAPHICS*
(Female Homemakers)

Graduated college	+18
Attended college	+13
Employed part-time	+32
1 person household	+11
5+ person household	+22
HH income $35,000 or more	+43
Black	+75

*Percent difference from total U.S.

NOTE: All figures represent percent difference (plus or minus) from total U.S

Among the 10 markets, Chicago alone shows a rate of consumption of prepared infant formula substantially above the national average. Stores with a black clientele should be particularly alert to potential demand. The incidence of children under six in the household is topped only by Los Angeles and St. Louis.

With few exceptions, almost all kinds of beers, wines and alcoholic beverages show above average popularity here, as do soft drinks and mixers. Figures on coffee consumption patterns suggest the need to allocate a particularly generous amount of space to ground coffee vis-a-vis the instant varieties.

Chicago is the pre-eminent major market for meat sticks, with appeal related directly to age. The higher proportion of young customers a store has, the larger a variety of meat sticks is needed. Chicagoans show relatively little enthusiasm for preparing desserts at home.

Most major dairy categories exert a strong appeal to shoppers here. Spread cheese, cottage cheese and yogurt are strong candidates for promotions, including instore sampling. Usually showing more strength away from the major markets, frozen pizza is a Chicago favorite worthy of generous freezer space.

BABY PRODUCTS

Pre-moist cleansing wipes	+ 35
Prepared infant formula	+ 29
Baby foods	+ 25
Children's cough syrup	+ 19
Infant cereal	+ 18
Bar soap for babies	+ 3
Baby oil	+ 1
Baby ointment	+ 1
Teething remedies	0
Baby powder	– 9

BREAKFAST FOODS/BAKED GOODS

English muffins	+ 25
Table syrup/molasses	+ 10
Jams/jellies	+ 9
Bread	+ 4
Breakfast/snack bars	+ 4
Peanut butter	– 2
Breakfast cereals (hot)	– 3
Breakfast cereals (cold)	– 6
Toaster products	– 7
Waffle/pancake mix	– 8

ENTERTAINMENT BEVERAGES

Brandy & cognac	+ 47
Cordials & liqueurs	+ 40
Scotch whisky	+ 37
Champagne/sparkling wines	+ 31
Port/sherry/dessert wine	+ 30
Reg. colas (not diet)	+ 7
Domestic reg. beer	+ 7
Bottled water	– 3
Light/low calorie beer	– 3
Ale	– 21

OTHER BEVERAGES

Grapefruit juice	+ 16
Misc. fruit juices/drinks	+ 15
Ground coffee	+ 10
Powdered soft drinks	+ 10
Instant iced tea mix	+ 8
Instant tea	– 2
Instant coffee (decaf)	– 3
Regular tea	– 18
Instant coffee (reg)	– 28
Dry milk	– 32

CANDY & SNACKS

Pretzels	+ 34
Meat sticks	+ 17
Cookies	+ 16
Popcorn	+ 14
Crackers	+ 4
Hard roll candy	– 2
Cough drops	– 3
Regular size candy bars	– 6
Corn/tortilla chips/snacks	– 6
Nuts	– 7

DESSERTS

Flavored gelatin desserts	+ 3
Whipped topping	+ 1
Canned puddings/fillings	0
Brownie/cookie mixes	0
Flour	– 6
Baking mixes	– 7
Granulated sugar	– 8
Dry cake mixes	– 13
Instant powdered pudding	– 15

DAIRY

Spread cheese	+ 41
Butter	+ 30
Cottage cheese	+ 20
Yogurt	+ 19
Ready-to-serve dips	+ 12
Refrig. dough products	– 3
American cheese	– 4
Margarine	– 7
Eggs	– 8
Shortening	– 38

FROZEN FOODS

Waffles/pancakes/Fr. toast	+ 32
Pizza	+ 30
Fish/seafood	+ 15
Main courses	+ 14
Corn on the cob	+ 12
Ice cream/ice milk/sherb.	+ 3
Complete dinners	– 3
Vegetables	– 4
Potato products	– 5
Poultry	– 9

Source: Mediamark Research Inc.

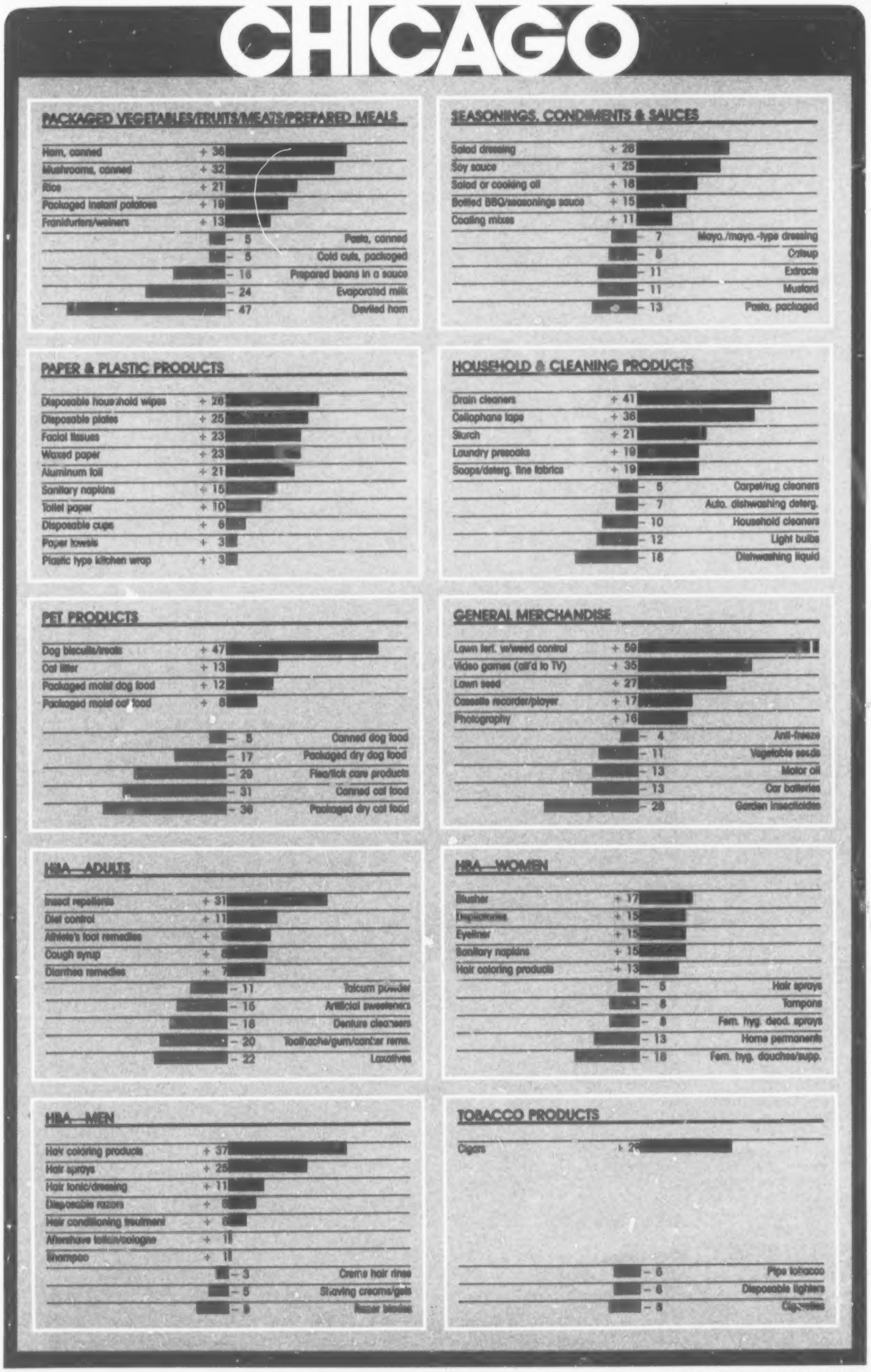
Specials on canned ham can anticipate a receptive audience, especially with middle aged and upper income shoppers. Strong summer promotions can be based on frankfurters/wieners, as well as on salad dressing and salad oil.

Consumption of all 14 types of products sold in the paper department (including four not shown) is *above* the national norm. Here is a section that needs (and deserves) plenty of space. Over in household and cleaning, drain cleaners show a strong constituency, as do three products used in the laundry.

Pet foods sell best here when there's a child between 12 and 17 in the house. This is especially true for dog biscuits and treats. Chicagoans appear to be somewhat indifferent to do-it-yourself auto upkeep, preferring to spend their time making sure that the grass is greener on their side of the fence.

Despite a few extremes at the high and low end of the spectrum, usage of most of the 27 adult HBA categories studied approximates the national average. The feminine hygiene products which have overall low appeal nevertheless merit adequate representation in sections patronized by black shoppers, with their reported higher usage.

Hair is the preoccupation of the Chicago male—coloring it, spraying it, dressing it and conditioning it—so he expects to find an adequate stock of hair products in his supermarket. Cigars evidence above average popularity here, as is true in most Midwest metropolitan areas.



Source: Mediamark Research Inc.

CLEVELAND

Traditional Consumption Patterns Keep Dry Grocery Robust

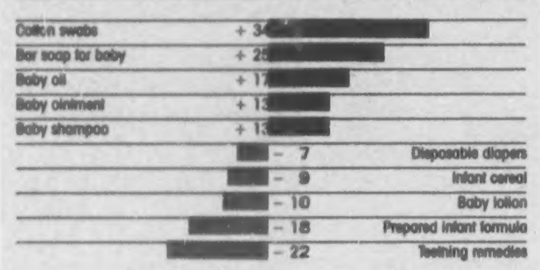
While its demographics approximate those of the country as a whole, Cleveland's style of consumption is distinctly its own. Dry grocery non-foods sections are favorites here, as evidenced by above average usage of paper and plastic products (including wraps and garbage bags) and of household and cleaning products (including several for the laundry). When it's time to relax after a hard day's work, a good cigar is often called for, along with a glass of ale and some pretzels.

OUTSTANDING DEMOGRAPHICS* (Female Homemakers)	
45-54	+24
3-4 person household	+11
HH income $35,000 or more	+19
Black	+16

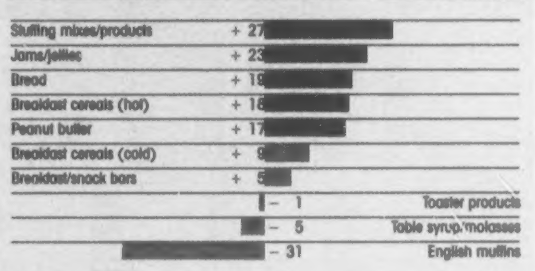
*Percent difference from total U.S.

NOTE: All figures represent percent difference (plus or minus) from total U.S.

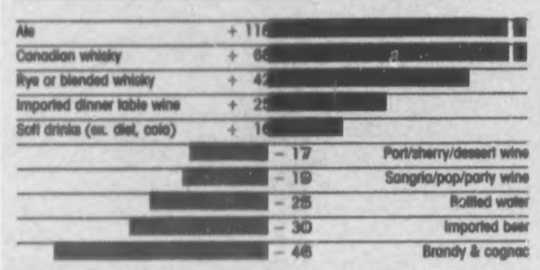
BABY PRODUCTS



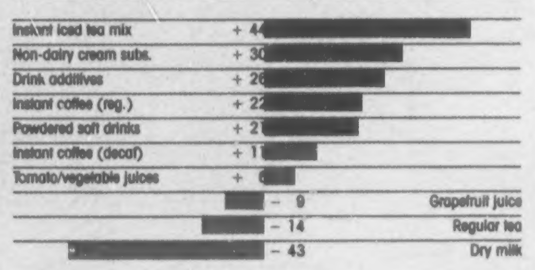
BREAKFAST FOODS/BAKED GOODS



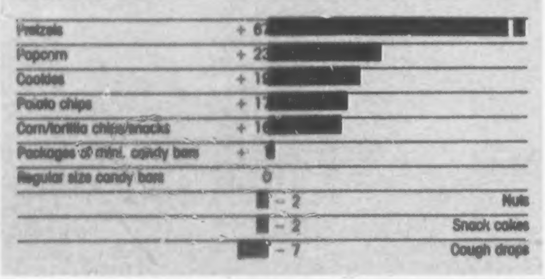
ENTERTAINMENT BEVERAGES



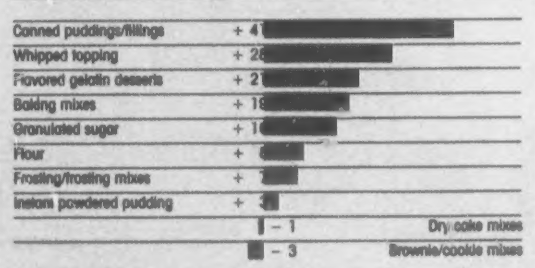
OTHER BEVERAGES



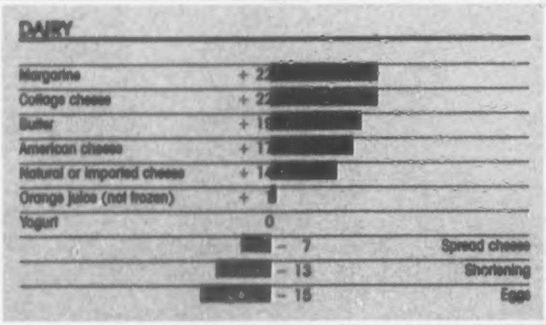
CANDY & SNACKS



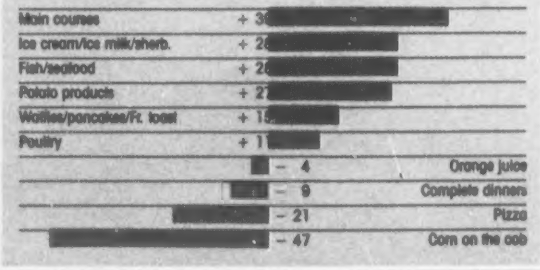
DESSERTS



DAIRY



FROZEN FOODS



Falling slightly short of the national average of households with tots to care for, Cleveland nevertheless shows a strong shopper response to baby HBA items, some of which cross over to adult usage. Breakfast sections merit plenty of space here, with products showing a catholicity of demand found nowhere else (although English muffins haven't made it yet).

End-aisle "ALE—SALE" displays could provoke a stampede here, with consumption more than twice the national average. Demand is strongest among the under 25's. A wide variety of non-alcoholic beverages perform well, with instant iced tea mix a surefire attention-getter for this summer's promotions.

Snack sections are a favorite for Clevelanders, with pretzels, popcorn, potato chips and corn chips all heavily bought. Another department which merits in-depth item selection is desserts, as various ingredients for home baking or mixes move well, as do pudding, gelatin and topping preparations.

The either/or pattern evidenced by butter and margarine is shattered in Cleveland as both show consumption significantly above the national average. Frozen main courses, or entrées, should be selected to reflect the upscale demographics of those who buy them most often here—the upper-income, college-educated one- or two-person household.

Source: Mediamark Research Inc.

Shoppers here have split personalities when it comes to shopping for prepacked dry grocery items. Most canned meats, along with Mexican foods, are anathema to them. A keener reception will be given to price specials on beans in a sauce, packaged dinners and that old combo—pasta and spaghetti sauce.

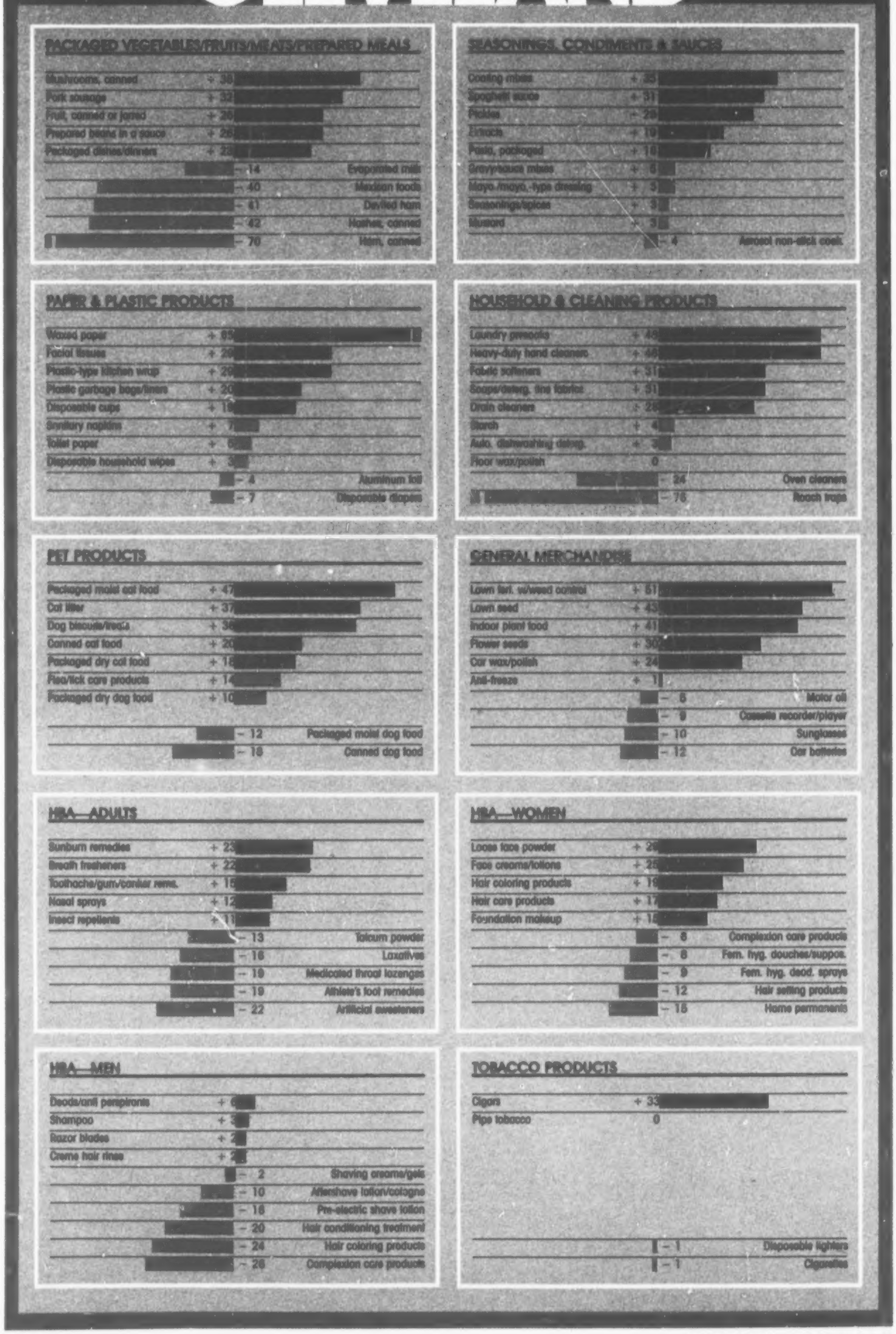
The entire dry grocery non-foods section of the supermarket is thoroughly shopped. Plastics, including wraps and bags for various uses, move well, and merit special promotional attention. Home laundry products also find their way onto most shopping lists here.

Clipping cents-off cat food coupons is a frequent activity, so staying aware of scheduled couponing in order not to disappoint customers is a priority. Cats are found mostly in three- or four-person households that include a teen. Garden supply sections are more likely to entice shoppers than are car care sections.

Breath fresheners sell better here than in any other of our markets, suggesting the urgency of giving them a prominent home of their own with room for a full selection of varieties. Women's traditional makeup and hair care products are in demand. (Home permanents, by the way, are out of favor in this and all our other major markets.)

Cleveland men on the whole seem content to purchase the HBA basics, such as deodorants, shampoo and blades, and let it go at that. Stores which are heavily patronized by black men, however, should stock to meet their interest in hand and body creams, and hair conditioners, sprays and tonics.

CLEVELAND



Source: Mediamark Research Inc.

DETROIT

Motown's Big Comeback Accelerates Sales of Smokes and Drinks

The incidence of black homemakers in Detroit is more than double the national average. Some products, including frozen pizza, frozen corn on the cob and canned pasta, produce usage rates here among blacks double that for whites. No products in the car care category show above average consumption, suggesting that workers seek other diversions, away from the assembly lines, which include lawn and garden care. Two departments which appear to fare poorly are pet and baby, with only dog biscuits and children's vitamins as standouts.

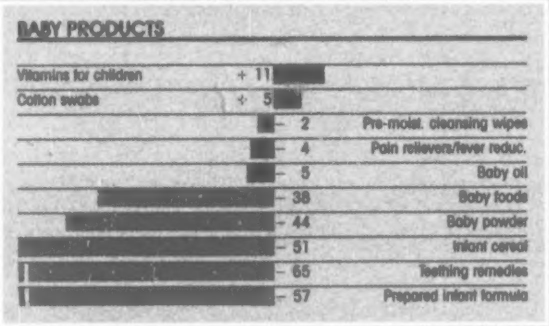
OUTSTANDING DEMOGRAPHICS*
(Female Homemakers)

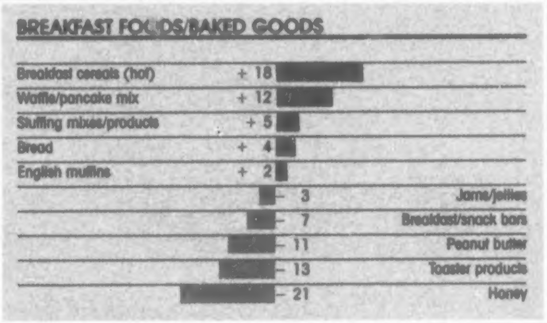
Attended college	+16
Working full-time	+12
HH income $35,000 or more	+62
Single	+17
Black	+113

*Percent difference from total U.S.

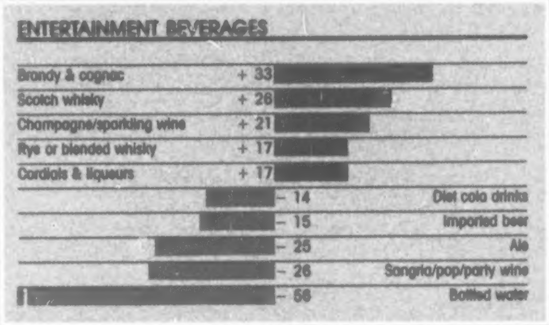
NOTE: All figures represent percent difference (plus or minus) from total U.S.

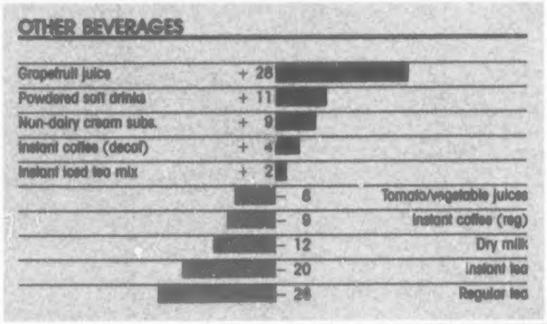
The outlook for the baby needs department is dismal in Detroit, with most products showing consumption considerably below the national incidence. Hot breakfasts are popular here, with hot cereals selling better then in any other top market but Cleveland (with which it's tied).



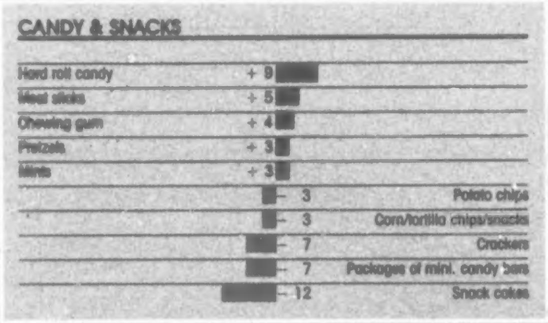


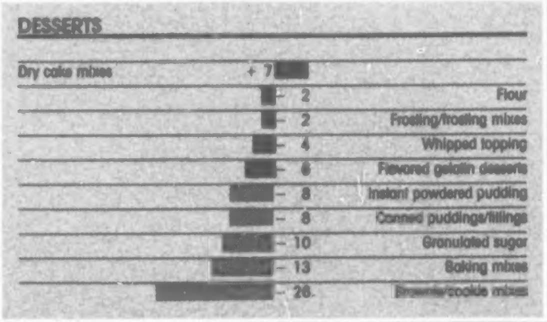
While soft drinks and domestic beers sell at rates close to the national incidence, hard liquors are the strongest performers, giving supermarkets an opportunity to move bottled mixers. Sobersides show restrained enthusiasm for most coffee and tea varieties.



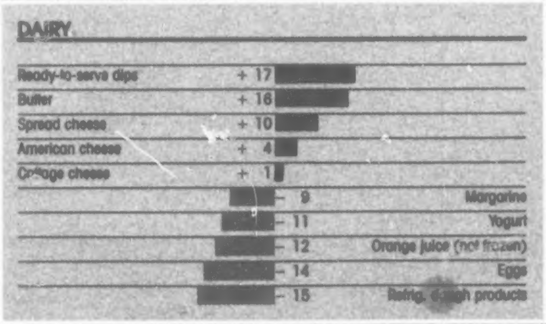


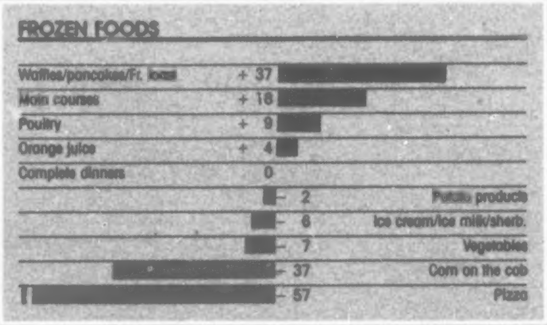
Candy and snack departments observe few major deviations from national patterns. The 18-to-34's comprise almost the entire market for meat sticks. Dessert making is not particularly popular here, although dry cake mixes prove an exception in larger households with children.





Both dips and cheese spreads attract shoppers to Detroit dairy departments. Dips show a patronage similar to that for crackers (suggesting dual merchandising), appealing to larger, upper income households. The heavy-breakfast habit suggested above extends to products available in the frozens section.





Source: Mediamark Research Inc.

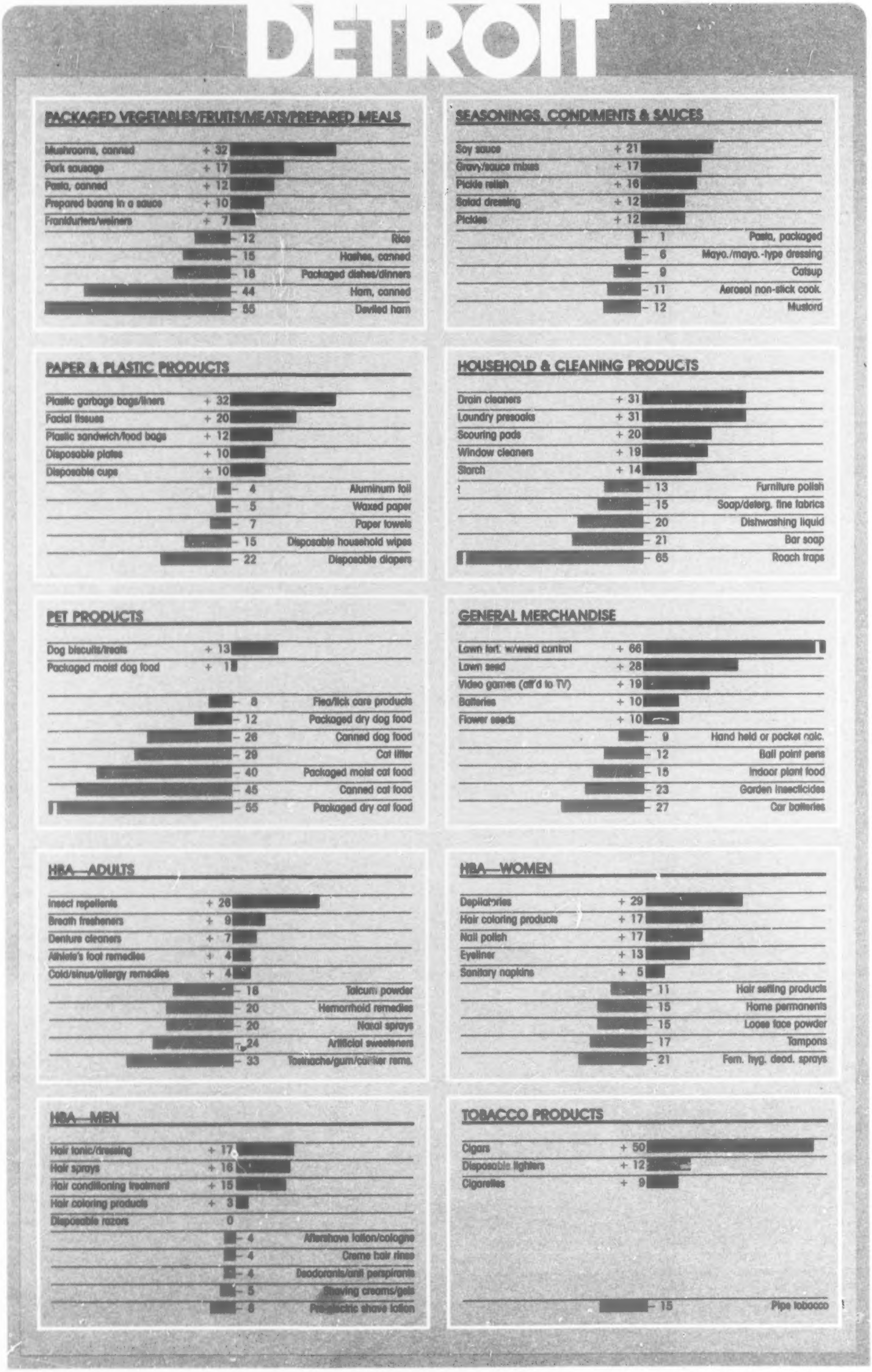
Canned entrees, such as pasta and beans in a sauce, are popular, although most canned meats aren't. Both products have their greatest franchise among homemakers who did not complete high school. Soy sauce sells well here, as it does in most metropolitan areas.

Disposable cups and plates both present good merchandising potential here. The standout, however, is plastic bags and liners, the usage of which is highest of the 10 major markets. Large households are, expectedly, the heaviest users.

Pet departments may be of comparatively modest dimensions here to stay in proportion to demand. Neither dogs nor cats have a strong franchise. Over in the GM department, lawn supplies offer a seasonal merchandising opportunity. After a day on the assembly line, Motown workers seem little inclined toward home car care.

Demand for various remedies is not particularly robust here, with many below the national norms of usage. With a few exceptions, women's HBA is also comparatively lackluster, with most cosmetic and hair prep categories showing little luster.

Men's hair care products show plenty of vitality here, so the section deserves an extra bit of attention in space allocation, especially in stores with a young customer mix. Of the 10 markets studied here, Detroit offers the best potential for smokes. A full assortment of cigarette brands is a must.



Source: Mediamark Research Inc.

LOS ANGELES

People Pick Products to Pamper Their Pets and Their Profiles

The incidence of Spanish-speaking homemakers here is three times the national average. Therefore, the outstanding performance of Mexican foods, and of corn and tortilla chips and snacks, is no surprise. This crossroads of world-famous faces spends both time and money making faces look their best, as evidenced by the five cosmetics that top the product list for women's HBA. Bottled water has virtually achieved commodity status here, supplemented by domestic wines and imported beers. Yogurt's popularity is greater only in New York and San Francisco.

OUTSTANDING DEMOGRAPHICS* (Female Homemakers)	
35-44	+12
Attended college	+50
Working full time	+12
1 person household	+18
HH income $35,000 or more	+32
Marital status—other**	+10
Spanish speaking	+321

*Percent difference from total U.S.
**Not married or single.

NOTE: All figures represent percent difference (plus or minus) from total U.S.

Incidence of children under six in households is highest of the 10 markets, at eight percent above the national average. Baby foods and cereals spearhead this vibrant section. In the breakfast aisle there's more interest in breakfast/snack bars than in any of our other markets.

BABY PRODUCTS	
Infant cereal	+35
Bar soap for baby	+32
Baby foods	+26
Pre-moist. cleansing wipes	+25
Baby ointment	+22
Disposable diapers	-2
Baby shampoo	-6
Pain relievers/fever reduc.	-7
Baby powder	-11
Children's cough syrup	-15

BREAKFAST FOODS/BAKED GOODS	
English muffins	+58
Honey	+26
Breakfast/snack bars	+24
Stuffing mixes/products	+12
Breakfast cereals (cold)	+2
Peanut butter	-2
Table syrup/molasses	-5
Jams/jellies	-5
Bread	-11
Toaster products	-26

Local conditions incite a demand of floodlike proportions for bottled water, and outsized water sections are common. Almost all party beverages sell well, including Scotch, vodka and diet soft drinks (not shown). Juices and drinks sections appear to generate plenty of shopper interest. When it's time for a hot beverage, instant or freeze-dried coffee is the choice.

ENTERTAINMENT BEVERAGES	
Bottled water	+265
Brandy & cognac	+64
Imported beer	+56
Champagne/sparkling wines	+54
Domestic dinner table wine	+49
Rye or blended whisky	-3
Imported dinner table wine	-3
Canadian whisky	-16
Regular colas (not diet)	-29
Ale	-38

OTHER BEVERAGES	
Grapefruit juice	+21
Misc. fruit juices/drinks	+20
Instant coffee (decaf)	+19
Instant tea	+17
Instant coffee (reg)	+12
Ground coffee	-5
Dry milk	-8
Instant iced tea mix	-10
Regular tea	-24
Powdered soft drinks	-33

The kingpins of L.A. snack sections are corn/tortilla chips/snacks and nuts. Other snacks and most kinds of candy (not shown) suffer from slack demand. The L.A. lifestyle doesn't include a lot of time in the kitchen baking or cooking up desserts as evidenced by low demand for ingredients.

CANDY & SNACKS	
Corn/tortilla chips/snacks	+21
Nuts	+16
Mints	+2
Popcorn	-4
Cough drops	-7
Potato chips	-17
Pretzels	-19
Cookies	-20
Meat sticks	-33
Snack cakes	-44

DESSERTS	
Brownie/cookie mixes	+2
Canned puddings/fillings	+2
Baking mixes	-3
Frosting/frosting mixes	-6
Dry cake mixes	-8
Flavored gelatin desserts	-8
Instant powdered pudding	-9
Whipped topping	-9
Flour	-24
Granulated sugar	-29

Diet-conscious Angelenos head for the yogurt selection in the dairy case. Its appeal is highest among homemakers 25 to 44 and those working full time. Cottage cheese, a diet staple, also excels. Spread over many age and income groups (but shining in one-person households) frozen main courses are an asset in any store.

DAIRY	
Yogurt	+60
Cottage cheese	+30
Natural or imported cheese	+14
Fresh milk	+5
Refrig. dough products	-4
Butter	-14
Orange juice (not frozen)	-18
Eggs	-19
Ready-to-serve dips	-20
Shortening	-51

FROZEN FOODS	
Corn on the cob	+48
Main courses	+44
Waffles/pancakes/Fr. toast	+37
Complete dinners	+23
Vegetables	+17
Fish/seafood	+5
Ice cream/ice milk/sherb.	-2
Potato products	-8
Poultry	-12
Pizza	-27

Source: Mediamark Research Inc.

LOS ANGELES

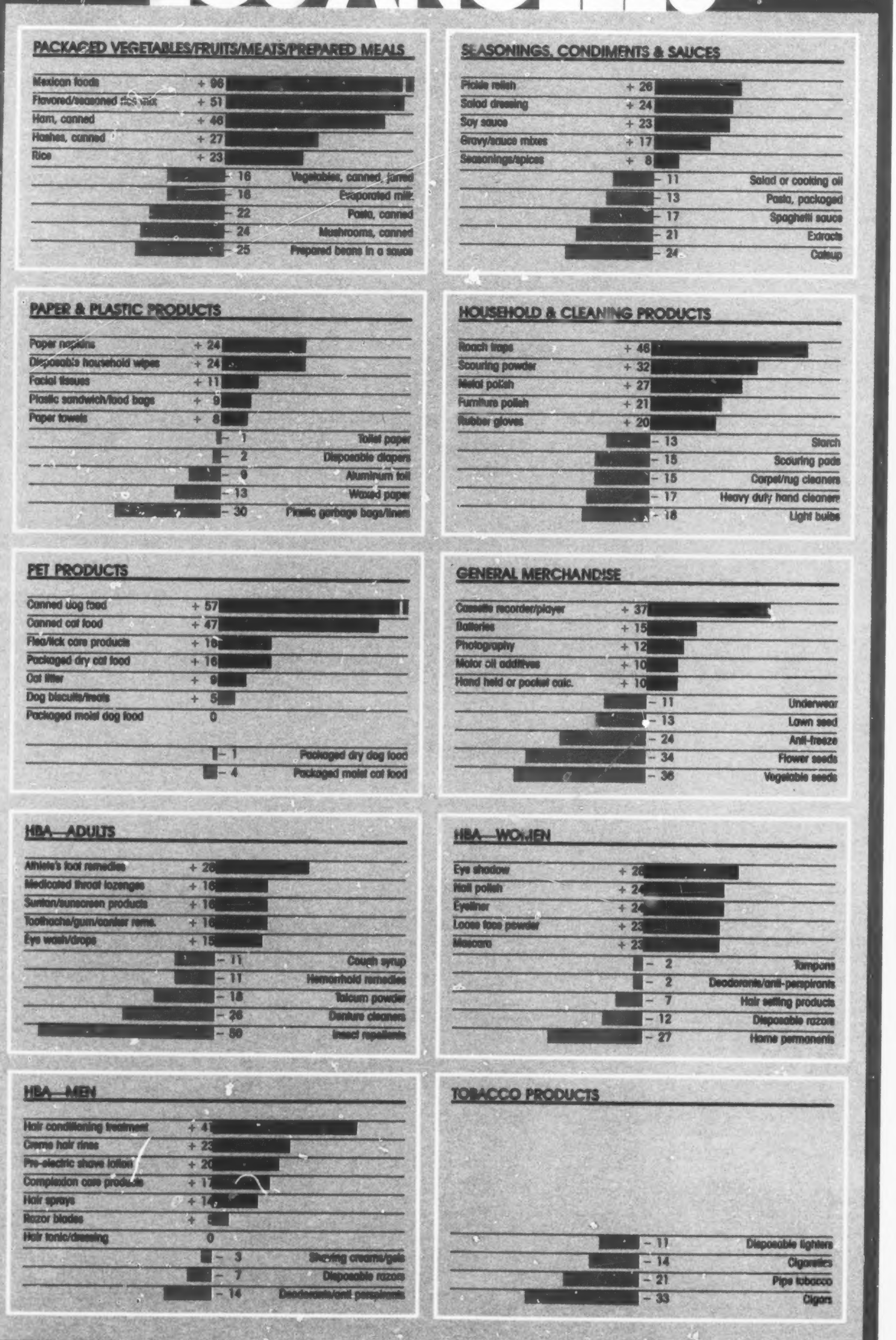
The spectacular performance of Mexican foods isn't explained only by the large population here with Mexican roots. This cuisine has been assimilated by all kinds of households both when eating out and at home. By comparison, pasta and spaghetti sauce have less appeal in L.A. than elsewhere.

With the exception of some kitchen wraps and plastic bags/liners, most products found in the paper section perform well here. When featured, both napkins and disposable wipes would sell well. In this year-round warm climate, roaches seem to be a constant enemy in many households, supporting a demand for products to control them.

Pets fit in with the Southern California lifestyle, and they consume a great deal of canned pet food. Sales are best in family neighborhoods with large (human) households. Listening to music from cassettes, which are in demand, helps break the tedium of the freeways. GM sections shouldn't overlook photo supplies either.

The outdoor life brings with it a need for products for protection from the sun (not just a seasonal in and out here) and for athlete's foot remedies. L.A.'s preeminence in movie and television—along with a general preoccupation with looking good—explains the outsized demand for cosmetics.

The L.A. male, especially if he's young, shops frequently for hair conditioning and creme rinse products. (Tonics/dressings are favored by older men.) The best prospects for cigarette sales are 18 to 24's and singles. Disposable lighters expectedly follow the same pattern.



Source: Mediamark Research Inc.

PHILADELPHIA

Ale's Well in Philadelphia, as Is the Paper Goods Department

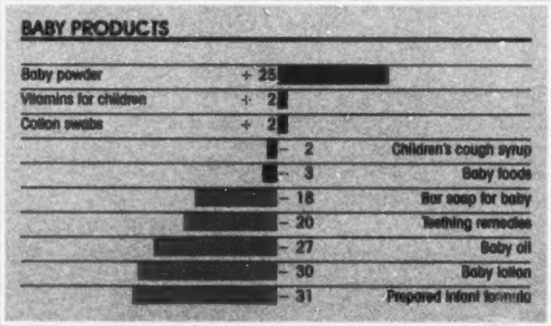
The incidence of homemakers who have attended and/or graduated from college is the lowest of the 10 markets. A concomitant to this is an age curve which skews toward the high end. As a general product class, HBA shows relatively few bright spots (five products for men's hair care are significantly below average). Two products where Philadelphians' preferences stand out on the plus side are ale and pretzels. Another winning combination is packaged pasta and spaghetti sauce. A variety of paper products is in above-average demand.

OUTSTANDING DEMOGRAPHICS* (Female Homemakers)	
45-54	+15
55-64	+17
Graduated high school	+17
Working part time	+23
Not employed	+11
5+ persons household	+14
HH income $35,000 or more	+19
Black	+46

*Percent difference from total U.S.

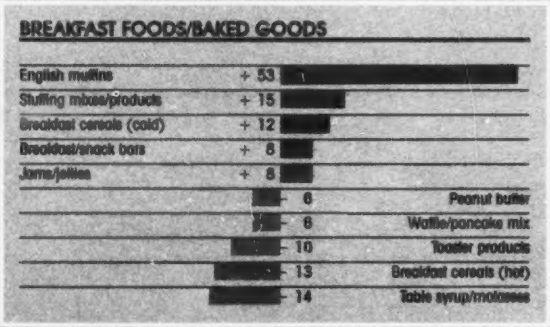
NOTE: All figures represent percent difference (plus or minus) from total U.S.

In line with the above average age of homemakers here, babies are comparatively scarce and sales of baby products languid (except for baby powder, which is also used by adults). Hot breakfasts—such as hot cereals and pancakes/waffles—aren't popular. English muffin with some jelly is.



BABY PRODUCTS

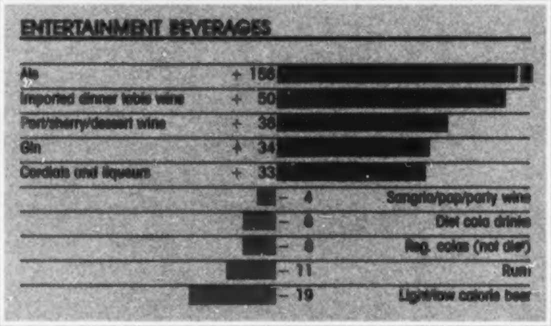
Baby powder	+25
Vitamins for children	+2
Cotton swabs	+2
Children's cough syrup	-2
Baby foods	-3
Bar soap for baby	-18
Teething remedies	-20
Baby oil	-27
Baby lotion	-30
Prepared infant formula	-31



BREAKFAST FOODS/BAKED GOODS

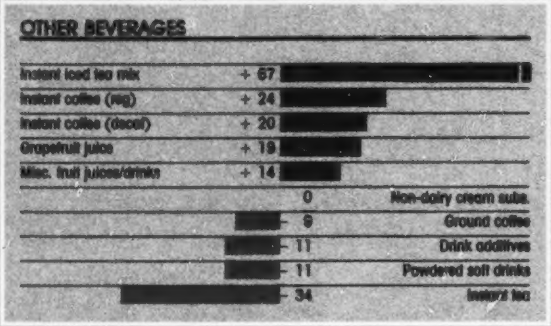
English muffins	+53
Stuffing mixes/products	+15
Breakfast cereals (cold)	+12
Breakfast/snack bars	+8
Jams/jellies	+8
Peanut butter	-6
Waffle/pancake mix	-6
Toaster products	-10
Breakfast cereals (hot)	-13
Table syrup/molasses	-14

This is the #1 ale market among our 10, so this product shouldn't be overlooked in selecting participants for end-aisle displays. Reaction will be greatest where there are lots of young, male, college-educated shoppers. Instant coffee and iced tea mix are heavily purchased.



ENTERTAINMENT BEVERAGES

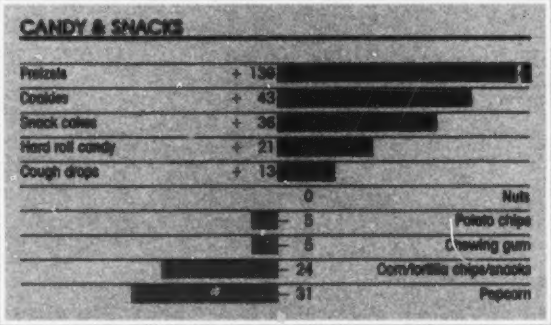
Ale	+156
Imported dinner table wine	+50
Port/sherry/dessert wine	+38
Gin	+34
Cordials and liqueurs	+33
Sangria/pop/party wine	-4
Diet cola drinks	-8
Reg. colas (not diet)	-8
Rum	-11
Light/low calorie beer	-19



OTHER BEVERAGES

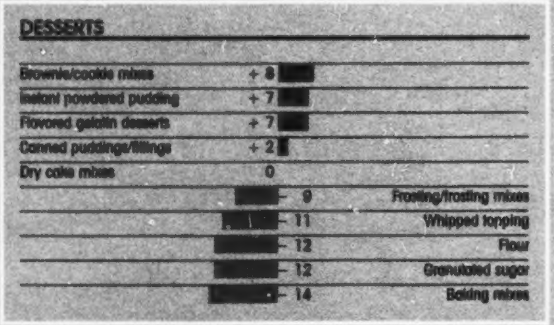
Instant iced tea mix	+67
Instant coffee (reg)	+24
Instant coffee (decaf)	+20
Grapefruit juice	+19
Misc. fruit juices/drinks	+14
Non-dairy cream subs.	0
Ground coffee	-9
Drink additives	-11
Powdered soft drinks	-11
Instant tea	-34

In that end-aisle ale display, you might want to find room for Philadelphia's favorite snack—pretzels. Other snack section items have less selling fire. While pudding and brownie/cookie mixes are purchased, there's less interest in assembling ingredients like flour and sugar for scratch baking.



CANDY & SNACKS

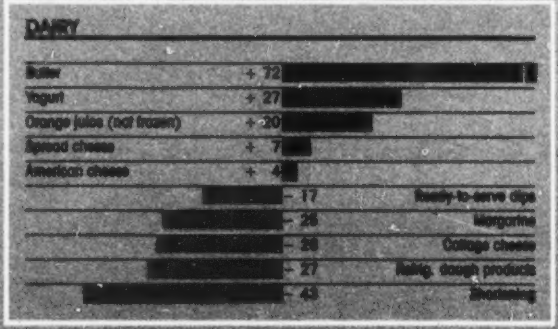
Pretzels	+139
Cookies	+43
Snack cakes	+36
Hard roll candy	+21
Cough drops	+13
Nuts	0
Potato chips	-5
Chewing gum	-5
Corn/tortilla chips/snacks	-24
Popcorn	-31



DESSERTS

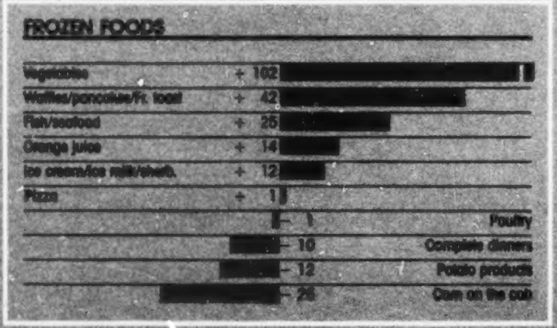
Brownie/cookie mixes	+8
Instant powdered pudding	+7
Flavored gelatin desserts	+7
Canned puddings/fillings	+2
Dry cake mixes	0
Frosting/frosting mixes	-9
Whipped topping	-11
Flour	-12
Granulated sugar	-12
Baking mixes	-14

Nationwide, margarine users outnumber butter users substantially, but here butter scores by a six to four margin. Butter use increases in line with educational attainment. The spectrum of frozen foods use is wide enough to include components for breakfast, main courses and desserts.



DAIRY

Butter	+72
Yogurt	+27
Orange juice (not frozen)	+20
Spread cheese	+7
American cheese	+4
Ready-to-serve dips	-17
Margarine	-25
Cottage cheese	-26
Refrig. dough products	-27
Shortening	-43



FROZEN FOODS

Vegetables	+102
Waffles/pancakes/Fr. toast	+42
Fish/seafood	+25
Orange juice	+14
Ice cream/ice milk/sherb.	+12
Pizza	+1
Poultry	-1
Complete dinners	-10
Potato products	-12
Corn on the cob	-25

Source: Mediamark Research Inc.

The dry grocery-food departments offer many popular items which could be included in weekly specials to incite shopper interest—especially canned tuna, rice and rice mixes, instant potatoes, mustard, and that standby but standout merchandising combo: pasta and spaghetti sauce.

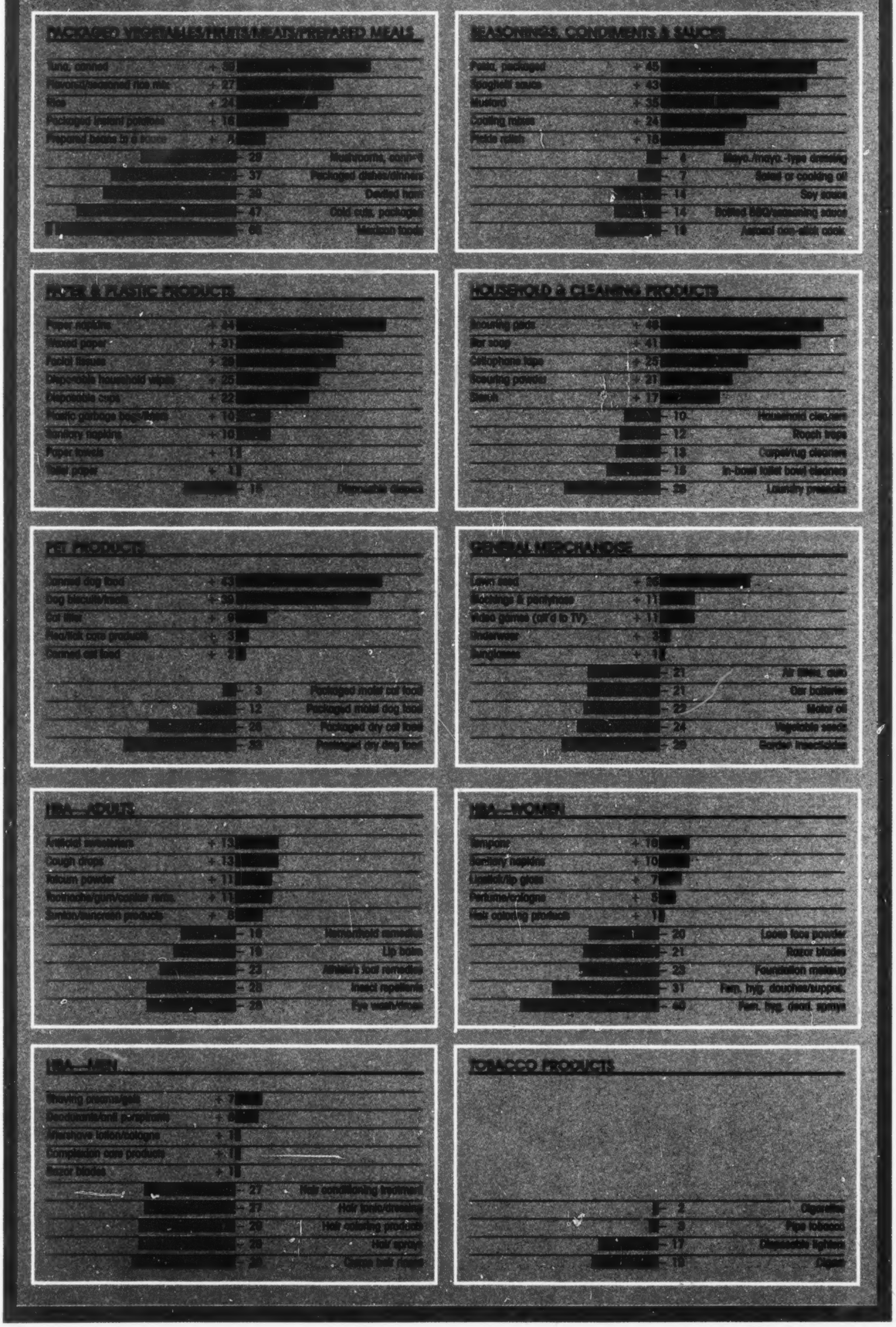
"The Paper Chase" might well have been named for the behavior of Philadelphia shoppers. They show above average purchase of every type of product offered except for diapers. The importance of providing a spacious and well-stocked selection is obvious. Over in household, nitty-gritty products like scourers and laundry starch excel.

Dry and moist pet foods are overshadowed by canned varieties here. Upper-income households are the biggest buyers of canned. Few products offer special potential in general merchandise, but lawn seed, pantyhose and video games may perform if skillfully hyped.

Merchandisers for health and beauty aids might feel better themselves if they didn't have to contend with so many weak performers in both general and women's HBA. A few exceptions—like artificial sweeteners and cough drops—may even merit dual locations.

Philadelphia men leave their hair alone to a large degree, limiting the possibilities for merchandising men's hair products. Even younger men show little interest. Cigarette consumption is virtually in line with national patterns, so shoppers expect a wide variety of brands, types and sizes to be on hand.

PHILADELPHIA



Source: Mediamark Research Inc.

NEW YORK

An Aging Population Buys Briskly in Paper & Cleaner Aisles

While a market of 13.3 million adults can accommodate tastes for almost all kinds of products, New York—demographically differentiated by its older, non-working, live-alone homemakers—shows its own peaks and valleys of product usage. Incidence of drinking Scotch, for example, is double that of the nation as a whole. New Yorkers also covet English muffins, instant iced tea mix, pasta and frozen vegetables. Supermarket operators who want to give these products their due have probably made room by shrinking baking ingredients, not an activity of choice here.

OUTSTANDING DEMOGRAPHICS* (Female Homemakers)	
45-54	+13
55-64	+10
65+	+11
Not employed	+12
1 person household	+25
HH income $35,000 or more	+35
Single	+16
Black	+25
Spanish speaking	+98

*Percent difference from total U.S.

NOTE: All figures represent percent difference (plus or minus) from total U.S.

Products used by *real* babies, such as disposable diapers and infant formula do poorly. What does sell are HBA products for baby that are often bought by adults for themselves. Many of these products merit dual placement in the baby and adult HBA sections.

BABY PRODUCTS

Baby powder	+ 21
Cotton swabs	+ 14
Baby shampoo	+ 11
Bar soap for babies	+ 8
Baby oil	+ 7
Children's cough syrup	– 11
Baby lotion	– 12
Prepared infant formula	– 12
Pain relievers/fever reduc.	– 13
Disposable diapers	– 14

BREAKFAST FOODS/BAKED GOODS

English muffins	+ 127
Honey	+ 30
Stuffing mixes/products	+ 17
Breakfast cereals (cold)	+ 9
Bread	+ 5
Breakfast cereals (hot)	– 6
Peanut butter	– 8
Table syrup/molasses	– 9
Toaster products	– 12
Breakfast/snack bars	– 15

New Yorkers are high on almost all types of party beverages. Their consumption pattern is below the national average for only three of 23 products included in this study. While supermarkets are still prohibited from selling spirits, they can effervesce sales by promoting drink mixers and bottled water.

ENTERTAINMENT BEVERAGES

Port/sherry/dessert wine	+ 120
Scotch whisky	+ 101
Ale	+ 95
Cordials and liqueurs	+ 86
Bottled water	+ 81
Domestic regular beer	+ 5[illegible]
Reg. carbonated soft drinks	+ 2
Reg. colas (not diet)	– 9
Canadian whisky	– 24
Light/low calorie beer	– 32

OTHER BEVERAGES

Instant iced tea mix	+ 86
Instant coffee (decaf)	+ 42
Misc. fruit juices/drinks	+ 25
Grapefruit juice	+ 17
Regular tea	+ 15
Ground coffee	– 1
Non-dairy cream substitutes	– 26
Instant tea	– 30
Powdered soft drinks	– 42

With cookie and croissant shops becoming as common as DON'T WALK signs, there's relatively little interest in preparing desserts from scratch. In-store bakeries find a receptive clientele, and help draw traffic. But dessert ingredients—justifiably it appears—often draw cramped accomodations.

CANDY & SNACKS

Cookies	+ 59
Pretzels	+ 56
Hard roll candy	+ 25
Packages of mini. candy bars	+ 9
Cough drops	+ 4
Potato chips	– 10
Regular size candy bars	– 11
Meat sticks	– 19
Corn/tortilla chips/snacks	– 29
Popcorn	– 36

DESSERTS

Brownie/cookie mixes	+ 3
Flavored gelatin desserts	– 7
Instant powdered pudding	– 12
Frosting/frosting mixes	– 12
Dry cake mixes	– 12
Whipped topping	– 16
Granulated sugar	– 21
Baking mixes	– 22
Canned puddings/fillings	– 24
Flour	– 28

Space allocation in dairy departments doesn't always reflect the fact that New York is the only market where the spread between butter and margarine buyers is two to one (67.0 to 34.6). Frozen breakfast items are especially popular among suburbanites with large families.

DAIRY

Butter	+ 69
Yogurt	+ 71
Orange juice (not frozen)	+ 67
Natural or imported cheese	+ 11
Spread cheese	+ 7
Eggs	– 11
Refrig. dough products	– 23
Margarine	– 29
Ready-to-serve dips	– 30
Shortening	– 62

FROZEN FOODS

Vegetables	+ 86
Corn on the cob	+ 55
Waffles/pancakes/Fr. toast	+ 36
Orange juice	+ 10
Main courses	+ 7
Potato products	0
Fish/seafood	0
Ice cream/ice milk/sherb.	– 6
Pizza	– 14
Complete dinners	– 17

Source: Mediamark Research Inc.

NEW YORK

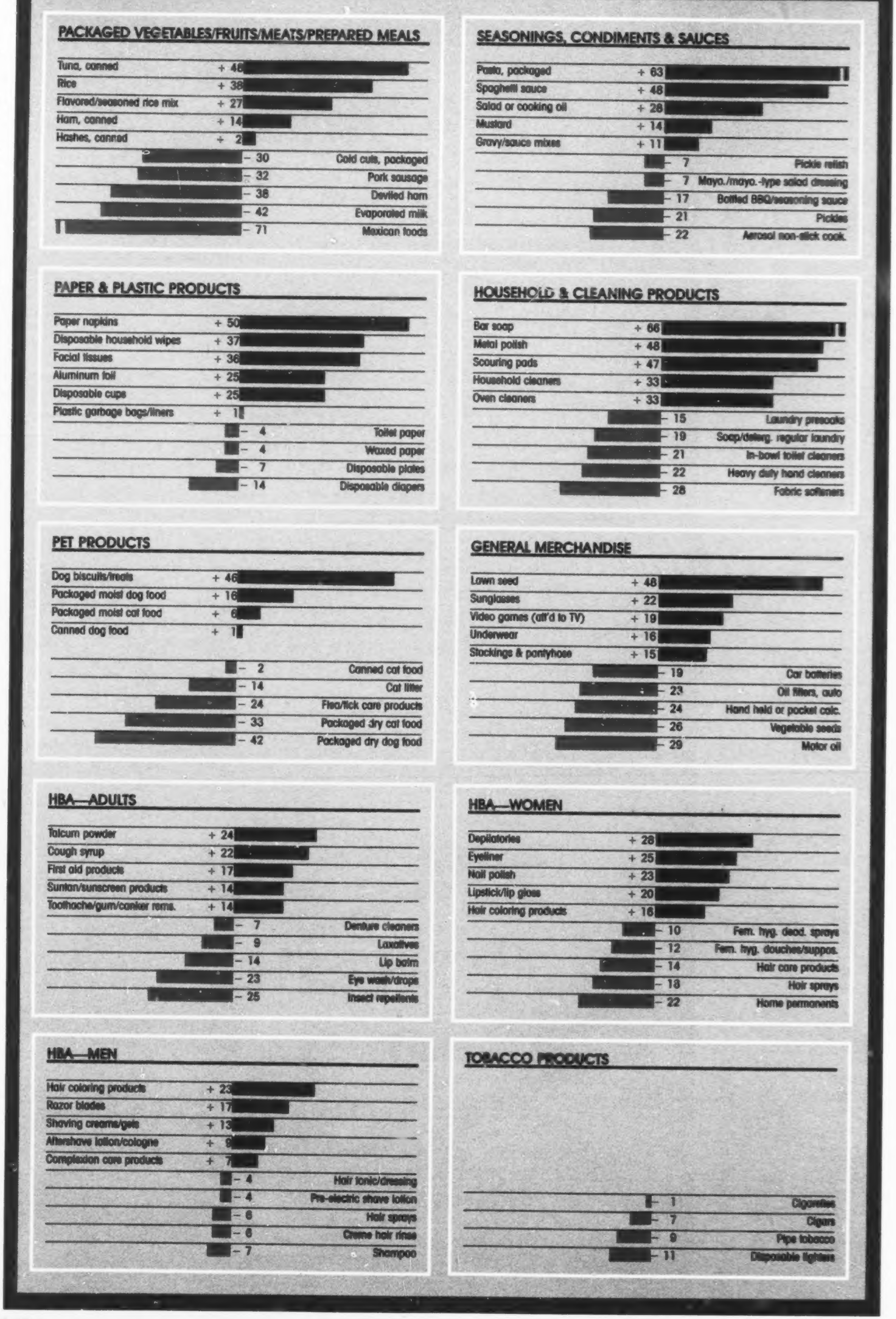
New York is the tuna consumption capital of the U.S.—no wonder it's so frequently featured in store promotions. Mexican foods sections have been gaining increased space in some area stores. At present their best customers tend to be young, better educated and upper income.

Paper and plastic departments are well patronized, with only a handful of products showing consumption patterns below the national norm. Plenty of space is justified here, as it is for the briskly patronized shelves that hold household and cleaning products. An exception is the sub-category of laundry products.

Leash laws or no, both dogs and cats maintain their privileged positions as members of millions of area households. Stores in black neighborhoods find little call for pet foods. Soft goods sections find a potential in both men's underwear and pantyhose, especially if they draw many working women customers.

With their often cramped space, New York area supermarkets often have trouble serving their customers' HBA needs. Seasonal rotation could help make room for such favorites as cough syrup and suntan/sunscreen products. Few supermarkets here offer the types of cosmetic items that sell best.

In New York—as in Washington, D.C. and Chicago—only his barber knows for sure, as men's hair coloring products significantly exceed the national average. More mainstream favorites relate to shaving. Cigarettes sell best to those holding full-time jobs.



PACKAGED VEGETABLES/FRUITS/MEATS/PREPARED MEALS

Tuna, canned	+ 46
Rice	+ 38
Flavored/seasoned rice mix	+ 27
Ham, canned	+ 14
Hashes, canned	+ 2
Cold cuts, packaged	– 30
Pork sausage	– 32
Deviled ham	– 38
Evaporated milk	– 42
Mexican foods	– 71

SEASONINGS, CONDIMENTS & SAUCES

Pasta, packaged	+ 63
Spaghetti sauce	+ 48
Salad or cooking oil	+ 28
Mustard	+ 14
Gravy/sauce mixes	+ 11
Pickle relish	– 7
Mayo./mayo.-type salad dressing	– 7
Bottled BBQ/seasoning sauce	– 17
Pickles	– 21
Aerosol non-stick cook.	– 22

PAPER & PLASTIC PRODUCTS

Paper napkins	+ 50
Disposable household wipes	+ 37
Facial tissues	+ 36
Aluminum foil	+ 25
Disposable cups	+ 25
Plastic garbage bags/liners	+ 1
Toilet paper	– 4
Waxed paper	– 4
Disposable plates	– 7
Disposable diapers	– 14

HOUSEHOLD & CLEANING PRODUCTS

Bar soap	+ 66
Metal polish	+ 48
Scouring pads	+ 47
Household cleaners	+ 33
Oven cleaners	+ 33
Laundry presoaks	– 15
Soap/deterg. regular laundry	– 19
In-bowl toilet cleaners	– 21
Heavy duty hand cleaners	– 22
Fabric softeners	– 28

PET PRODUCTS

Dog biscuits/treats	+ 46
Packaged moist dog food	+ 16
Packaged moist cat food	+ 6
Canned dog food	+ 1
Canned cat food	– 2
Cat litter	– 14
Flea/tick care products	– 24
Packaged dry cat food	– 33
Packaged dry dog food	– 42

GENERAL MERCHANDISE

Lawn seed	+ 48
Sunglasses	+ 22
Video games (att'd to TV)	+ 19
Underwear	+ 16
Stockings & pantyhose	+ 15
Car batteries	– 19
Oil filters, auto	– 23
Hand held or pocket calc.	– 24
Vegetable seeds	– 26
Motor oil	– 29

HBA—ADULTS

Talcum powder	+ 24
Cough syrup	+ 22
First aid products	+ 17
Suntan/sunscreen products	+ 14
Toothache/gum/canker rems.	+ 14
Denture cleaners	– 7
Laxatives	– 9
Lip balm	– 14
Eye wash/drops	– 23
Insect repellents	– 25

HBA—WOMEN

Depilatories	+ 28
Eyeliner	+ 25
Nail polish	+ 23
Lipstick/lip gloss	+ 20
Hair coloring products	+ 16
Fem. hyg. deod. sprays	– 10
Fem. hyg. douches/suppos.	– 12
Hair care products	– 14
Hair sprays	– 18
Home permanents	– 22

HBA—MEN

Hair coloring products	+ 23
Razor blades	+ 17
Shaving creams/gels	+ 13
Aftershave lotion/cologne	+ 9
Complexion care products	+ 7
Hair tonic/dressing	– 4
Pre-electric shave lotion	– 4
Hair sprays	– 6
Creme hair rinse	– 6
Shampoo	– 7

TOBACCO PRODUCTS

Cigarettes	– 1
Cigars	– 7
Pipe tobacco	– 9
Disposable lighters	– 11

Source: Mediamark Research Inc.

SAN FRANCISCO

Wine & Cheese Prosper Together Like Bays & Bridges

Homemakers here have money to spend, partly from their participation in the professional/technical workforce area, or as managers and administrators. Two factors that facilitate this are their high educational attainments, and a below average incidence of children at home. Supermarkets here must provide ample space for display of wine as consumption is double the national average. Dessert preparation seems a lost art here, as many substitute a container of yogurt, with its health and convenience appeal.

OUTSTANDING DEMOGRAPHICS

(Female Homemakers)	
18-24	+15
Graduated college	+50
Attended college	+41
Working full time	+12
Working part time	+17
1 person household	+10
HH income $35,000 or more	+69
Single	+64
Black	+31
Spanish speaking	+71

NOTE: All figures represent percent difference (plus or minus) from total U.S.

BABY PRODUCTS

Disposable diapers	+ 16
Baby ointment	+ 14
Pre-moist. cleansing wipes	+ 9
Bar soap for baby	+ 6
Vitamins for children	+ 3
Baby foods	- 12
Baby shampoo	- 14
Baby lotion	- 15
Baby powder	- 28
Teething remedies	- 71

BREAKFAST FOODS/BAKED GOODS

English muffins	+ 27
Breakfast/snack bars	+ 15
Honey	+ 12
Stuffing mixes/products	- 4
Breakfast cereals (hot)	- 4
Bread	- 16
Peanut butter	- 21
Jams/jellies	- 22
Table syrup/molasses	- 22
Toaster products	- 28

ENTERTAINMENT BEVERAGES

Brandy & cognac	+ 202
Bottled water	+ 158
Domestic dinner table wine	+ 99
Port/sherry/dessert wine	+ 98
Champagne/sparkling wine	+ 95
Ale	+ 3
Canadian whisky	- 10
Rye or blended whisky	- 10
Sangria/pop/party wine	- 16
Reg. colas (not diet)	- 33

OTHER BEVERAGES

Non-dairy cream subs.	+ 14
Instant coffee (decaf)	+ 5
Grapefruit juice	0
Misc. fruit juices/drinks	0
Tomato/vegetable juices	- 1
Ground coffee	- 12
Regular tea	- 19
Instant tea	- 28
Instant iced tea mix	- 29
Powdered soft drinks	- 42

CANDY & SNACKS

Corn/tortilla chips/snacks	+ 8
Mints	+ 2
Nuts	+ 2
Hard roll candy	- 5
Cough drops	- 7
Popcorn	- 17
Cookies	- 21
Pretzels	- 32
Snack cakes	- 40
Meat sticks	- 40

DESSERTS

Baking mixes	+ 5
Brownie/cookie mixes	- 8
Canned puddings/fillings	- 13
Whipped topping	- 13
Frosting/frosting mixes	- 18
Instant powdered pudding	- 18
Flour	- 21
Granulated sugar	- 22
Flavored gelatin desserts	- 27
Dry cake mixes	- 28

DAIRY

Yogurt	+ 69
Natural or imported cheese	+ 27
Spread cheese	+ 18
Butter	+ 15
Cottage cheese	0
Refrig. dough products	- 19
Orange juice (not frozen)	- 32
Margarine	- 32
American cheese	- 44
Shortening	- 48

FROZEN FOODS

Corn on the cob	+ 24
Main courses	+ 11
Complete dinners	+ 9
Orange juice	0
Vegetables	- 6
Ice cream/ice milk/sherb.	- 9
Waffles/pancakes/Fr. toast	- 12
Potato products	- 22
Pizza	- 39
Poultry	- 43

Despite a comparative shortfall of toddlers to fuel baby department sales, some items—notably disposable diapers—do well. (Households with a child under two show a 96.6% purchase rate, compared to only 85.5% nationally.) Demand for most breakfast items is slack, although English muffins and breakfast/snack bars deserve in-depth stocking.

Inspired perhaps by their proximity to the nation's major vineyards, San Franciscans consume grape-derived products at twice the national rate. Beer and soft drinks (not shown) do well with the exception of non-diet colas. Both coffee and tea elicit tepid interest, although decaffinated instant sells well to older homemakers.

Snack sections, often located near wine in supermarkets here, have corn and tortilla chips and snacks as their high-interest product. Cookies, crackers, and most candies have below-average appeal. Dessert eaters apparently prefer to buy them already made at supers or bake shops rather than to buy the ingredients.

San Francisco's preference for wine is complemented by its craving for cheese, especially the natural or imported variety. Consumption is highest among those whose annual household incomes exceed $50,000. The high popularity of frozen main courses is explained mostly by its appeal to one-person and lower-income households.

Source: Mediamark Research Inc.

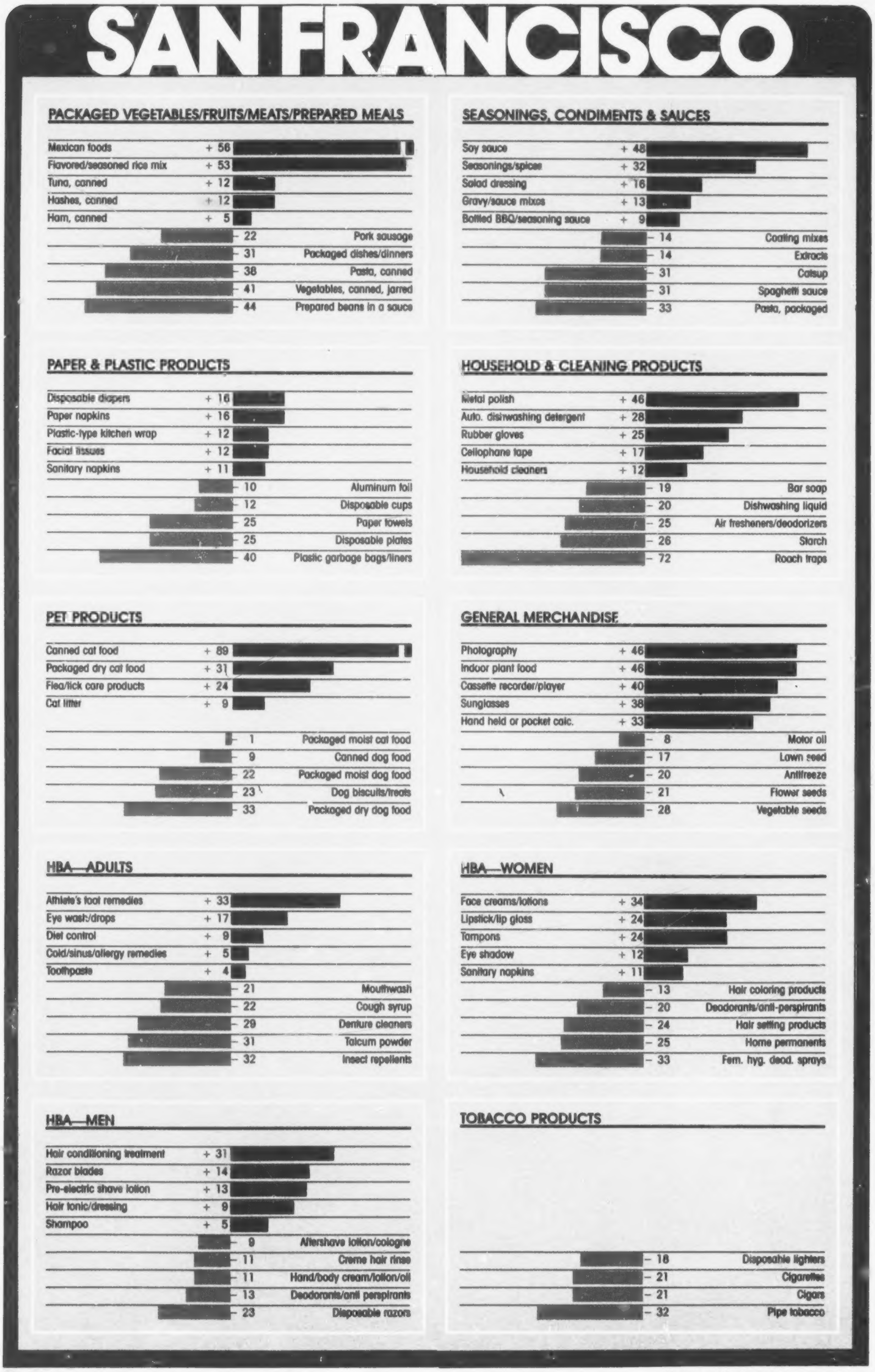
Both Mexican foods and rice mixes appeal to San Franciscans and are excellent promotional candidates. The only demographic weak spot for Mexican foods is older households. The many Oriental households and a general culinary venturesomeness contribute to the fine showing of soy sauce and seasonings/spices.

Kitchen-use paper and plastic products on the whole have a muted appeal here, perhaps colored by the above average proportion of one-person households. Household and cleaning products show wide swings above and below the national norms, underlining the need for judicious space allocation.

Pet sections here must accommodate a wide variety of products for the area's fussy felines. These lucky cats live for the most part with upper income college graduates. Cameras, cassette players and calculators are all popular and suggest merchandising possibilities for general merchandise departments.

The consumption rate for adult HBA products rarely exceeds the national averages, although some specialized categories such as eye wash/drops and athlete's foot remedies stand out. On the women's side, face and skin care products are favored over hair care products.

Hair care products are popular here, with hair conditioning treatment leading the list thanks to its strong appeal to blacks and 18-to-24's. Smoking of any kind is significantly below national patterns.



SAN FRANCISCO

PACKAGED VEGETABLES/FRUITS/MEATS/PREPARED MEALS

Mexican foods	+ 56
Flavored/seasoned rice mix	+ 53
Tuna, canned	+ 12
Hashes, canned	+ 12
Ham, canned	+ 5
Pork sausage	− 22
Packaged dishes/dinners	− 31
Pasta, canned	− 38
Vegetables, canned, jarred	− 41
Prepared beans in a sauce	− 44

SEASONINGS, CONDIMENTS & SAUCES

Soy sauce	+ 48
Seasonings/spices	+ 32
Salad dressing	+ 16
Gravy/sauce mixes	+ 13
Bottled BBQ/seasoning sauce	+ 9
Coating mixes	− 14
Extracts	− 14
Catsup	− 31
Spaghetti sauce	− 31
Pasta, packaged	− 33

PAPER & PLASTIC PRODUCTS

Disposable diapers	+ 16
Paper napkins	+ 16
Plastic-type kitchen wrap	+ 12
Facial tissues	+ 12
Sanitary napkins	+ 11
Aluminum foil	− 10
Disposable cups	− 12
Paper towels	− 25
Disposable plates	− 25
Plastic garbage bags/liners	− 40

HOUSEHOLD & CLEANING PRODUCTS

Metal polish	+ 46
Auto. dishwashing detergent	+ 28
Rubber gloves	+ 25
Cellophane tape	+ 17
Household cleaners	+ 12
Bar soap	− 19
Dishwashing liquid	− 20
Air fresheners/deodorizers	− 25
Starch	− 26
Roach traps	− 72

PET PRODUCTS

Canned cat food	+ 89
Packaged dry cat food	+ 31
Flea/tick care products	+ 24
Cat litter	+ 9
Packaged moist cat food	− 1
Canned dog food	− 9
Packaged moist dog food	− 22
Dog biscuits/treats	− 23
Packaged dry dog food	− 33

GENERAL MERCHANDISE

Photography	+ 46
Indoor plant food	+ 46
Cassette recorder/player	+ 40
Sunglasses	+ 38
Hand held or pocket calc.	+ 33
Motor oil	− 8
Lawn seed	− 17
Antifreeze	− 20
Flower seeds	− 21
Vegetable seeds	− 28

HBA—ADULTS

Athlete's foot remedies	+ 33
Eye wash/drops	+ 17
Diet control	+ 9
Cold/sinus/allergy remedies	+ 5
Toothpaste	+ 4
Mouthwash	− 21
Cough syrup	− 22
Denture cleaners	− 29
Talcum powder	− 31
Insect repellents	− 32

HBA—WOMEN

Face creams/lotions	+ 34
Lipstick/lip gloss	+ 24
Tampons	+ 24
Eye shadow	+ 12
Sanitary napkins	+ 11
Hair coloring products	− 13
Deodorants/anti-perspirants	− 20
Hair setting products	− 24
Home permanents	− 25
Fem. hyg. deod. sprays	− 33

HBA—MEN

Hair conditioning treatment	+ 31
Razor blades	+ 14
Pre-electric shave lotion	+ 13
Hair tonic/dressing	+ 9
Shampoo	+ 5
Aftershave lotion/cologne	− 9
Creme hair rinse	− 11
Hand/body cream/lotion/oil	− 11
Deodorants/anti perspirants	− 13
Disposable razors	− 23

TOBACCO PRODUCTS

Disposable lighters	− 18
Cigarettes	− 21
Cigars	− 21
Pipe tobacco	− 32

Source: Mediamark Research Inc.

ST. LOUIS

St. Louis Women Opt for Convenience in Frozens & Dry Grocery

Despite its lack of deviation from the demographic norm of the total country, St. Louis evidences a mind of its own in its consumption habits. Nowhere (among our 10 markets at least) does frozen pizza bring more acclaim. Two sections of the supermarket with appeal for St. Louis shoppers are desserts (including several kinds of ingredients for home baking) and packaged and prepared foods (including instant potatoes, packaged dinners and canned or glassed vegetables). Pet food figures indicate a scarcity of cats on the prowl.

OUTSTANDING DEMOGRAPHICS* (Female Homemakers)	
18-24	+12
1 person household	+17
5+ persons household	+34

*Percent difference from total U.S.

NOTE: All figures represent percent difference (plus or minus) from total U.S.

With its above average incidence of children under six, St. Louis offers fertile opportunity for baby products departments, especially remedies and HBA. While consumption of most breakfast and baked products approximates national norms, both English muffins and honey have failed to gain much of a following.

When they meet in St. Louis, it's more likely to be for a beer than in any of the nine other markets in this study. The beer most likely will be domestic, and its drinkers to have attended college and to live in upper income households. On the non-alcoholic side both instant tea and powdered soft drinks are standouts with special promotional potential.

Compared to other markets, St. Louis is much more accommodating to popcorn and snack cakes, so snack departments should take this deviation into account in allocating space. St. Louis also stands alone in its need for an extensive dessert department to provide ingredients for home bakers.

The already-noted propensity of St. Louis homemakers to turn on their ovens to prepare desserts is reflected in the performance of refrigerated dough products and shortening in the dairy section. One treat they like to buy in the most convenient form, however, is frozen pizza—which they consume at twice the rate of most other markets.

BABY PRODUCTS	
Baby shampoo	+ 26
Pain relievers/fever reduc.	+ 14
Pre-moistened cleansing wipes	+ 14
Children's cough syrup	+ 13
Baby powder	+ 11
Prepared infant formula	− 14
Infant cereal	− 18
Baby foods	− 20
Bar soap for baby	− 23
Teething remedies	− 33

BREAKFAST FOODS/BAKED GOODS	
Stuffing mixes/products	+ 11
Breakfast/snack bars	+ 10
Bread	+ 8
Toaster products	+ 5
Waffle/pancake mix	+ 3
Breakfast cereals/cold	− 3
Jams/jellies	− 4
Peanut butter	− 9
Honey	− 23
English muffins	− 28

ENTERTAINMENT BEVERAGES	
Scotch whisky	+ 38
Domestic reg. beer	+ 19
Sangria/pop/party wine	+ 16
Mixed drinks	+ 12
Diet cola drinks	+ 10
Rye or blended whisky	− 22
Imported beer	− 29
Brandy & cognac	− 31
Ale	− 59
Bottled water	− 61

OTHER BEVERAGES	
Instant tea	+ 44
Powdered soft drinks	+ 42
Non-dairy cream subs.	+ 13
Grapefruit juice	+ 10
Ground coffee	+ 2
Misc. fruit juices/drinks	− 9
Drink additives	− 9
Instant iced tea mix	− 12
Dry milk	− 20
Instant coffee (reg)	− 23

CANDY & SNACKS	
Popcorn	+ 36
Pretzels	+ 31
Snack cakes	+ 23
Corn/tortilla chips/snacks	+ 16
Crackers	+ 10
Nuts	− 3
Potato chips	− 3
Regular size candy bars	− 5
Chewing gum	− 9
Hard roll candy	− 12

DESSERTS	
Canned puddings/fillings	+ 30
Baking mixes	+ 23
Brownie/cookie mixes	+ 20
Dry cake mixes	+ 20
Flour	+ 13
Flavored gelatin desserts	+ 12
Whipped topping	+ 11
Granulated sugar	+ 10
Instant powdered pudding	+ 6
Frosting/frosting mixes	+ 4

DAIRY	
Refrig. dough products	+ 29
American cheese	+ 25
Shortening	+ 21
Ready-to-serve dips	+ 19
Eggs	+ 7
Cottage cheese	− 4
Natural or imported cheese	− 5
Fresh milk	− 8
Butter	− 19
Yogurt	− 40

FROZEN FOODS	
Pizza	+ 58
Potato products	+ 31
Fish/seafood	+ 24
Main courses	+ 16
Complete dinners	+ 15
Waffles/pancakes/Fr. toast	+ 8
Poultry	+ 6
Ice cream/ice milk/sherb.	− 6
Vegetables	− 23
Corn on the cob	− 46

Source: Mediamark Research Inc.

ST. LOUIS

Main-course convenience is important here, so both packaged instant potatoes and packaged dishes and dinners excel in the dry grocery department, the former selling best in stores with higher income customers and the latter in stores with lower income customers.

PACKAGED VEGETABLES/FRUITS/MEATS/PREPARED MEALS

Packaged instant potatoes	+ 37
Packaged dishes/dinners	+ 37
Pork sausage	+ 36
Vegetables, canned or jarred	+ 35
Frankfurters/weiners	+ 23
Pasta, canned	– 11
Tuna, canned	– 13
Rice	– 33
Hashes, canned	– 45
Ham, canned	– 71

SEASONINGS, CONDIMENTS & SAUCES

Bottled BBQ/seasoning sauce	+ 37
Salad dressing	+ 32
Pickle relish	+ 23
Salad or cooking oil	+ 22
Aerosol non-stick cook.	+ 20
Soy sauce	+ 6
Spaghetti sauce	+ 5
Mayo./mayo.-type dressing	– 11
Coating mixes	– 13
Pasta, packaged	– 13

With judicious selection, both the paper and household departments offer strong candidates for weekly promotions. Demand for aluminum foil, for example, is matched in none of our other markets. And products for dishwashers or laundries also provide a draw.

PAPER & PLASTIC PRODUCTS

Aluminum foil	+ 28
Disposable plates	+ 19
Facial tissues	+ 18
Sanitary napkins	+ 11
Plastic sandwich/food bags	+ 10
Toilet paper	+ 3
Paper towels	– 7
Disposable cups	– 8
Waxed paper	– 14
Paper napkins	– 32

HOUSEHOLD & CLEANING PRODUCTS

Roach traps	+ 33
Heavy duty hand cleaners	+ 32
Laundry presoaks	+ 27
Auto. dishwashing deterg.	+ 25
Fabric softeners	+ 21
Bar soap	– 7
In-tank toilet bowl cleaners	– 7
Metal polish	– 8
Drain cleaners	– 12
Oven cleaners	– 23

It's a dog's life in St. Louis apparently, as all three varieties of cat food lag far below national consumption patterns. Almost all kinds of products found in general merchandise departments show a good potential, especially those that can improve the performance of an automobile or a lawn.

PET PRODUCTS

Packaged dry dog food	+ 9
Canned dog food	+ 8
Cat litter	– 16
Packaged moist dog food	– 30
Canned cat food	– 30
Packaged dry cat food	– 31
Packaged moist cat food	– 35

GENERAL MERCHANDISE

Lawn seed	+ 75
Lawn fert. w/weed control	+ 43
Car wax/polish	+ 21
Hand held or pocket calc.	+ 19
Air filters, auto	+ 19
Garden fertilizer	– 1
Stockings & pantyhose	– 3
Underwear	– 5
Indoor plant food	– 5
Ball point pens	– 8

Two hard-to-departmentalize categories are especially popular here: insect repellents and artificial sweeteners. Both should be provided with maximum visibility, including dual locations and special displays where possible. Despite a generally spotty picture for women's HBA, a few specialties, including both pressed and loose powder, do well.

HBA—ADULTS

Insect repellents	+ 42
Artificial sweeteners	+ 40
Toothache/gum/canker rems.	+ 26
Athlete's foot remedies	+ 25
Nasal sprays	+ 23
Mouthwash	– 6
Hemorrhoid remedies	– 11
Lip balm	– 12
Medicated throat lozenges	– 16
Talcum powder	– 19

HBA—WOMEN

Depilatories	+ 31
Pressed powder	+ 24
Hair setting products	+ 21
Loose face powder	+ 19
Hair spray	+ 16
Shampoo	– 7
Hand/body cream/lotion/oil	– 11
Face creams/lotions	– 11
Deodorants/anti-perspirants	– 15
Fem. hyg. deod. sprays	– 19

The incidence of usage of various men's HBA products by St. Louis men follows the national prototype very faithfully, with mostly single-digit deviations. Over in the smokes section, cigars are more likely to be called for than pipe tobacco.

HBA—MEN

Shampoo	+ 6
Razor blades	+ 5
Hair conditioning treatment	+ 5
Deodorants/anti perspirants	+ 5
Hair coloring products	+ 4
Pre-electric shave lotion	– 2
Aftershave lotion/cologne	– 4
Hand/body cream/lotion/oil	– 4
Disposable razors	– 6
Hair tonic/dressing	– 13

TOBACCO PRODUCTS

Cigars	+ 24
Disposable lighters	+ 5
Cigarettes	– 2
Pipe tobacco	– 12

Source: Mediamark Research Inc.

WASHINGTON, D.C.

Capital Spending Is Meager in Many Supermarket Categories

Demographically, the nation's capital is a surprising *potpourri*: a greater incidence of blacks than the nine other markets together, with the greatest incidence of upper income households and college graduates. The picture of product usage here is the bleakest of the 10 markets, with relatively few products exceeding the national average in usage and many showing substantially below average usage. One exception is baby products, particularly foods and formulas. Another is entertainment beverages, along with several HBA products.

OUTSTANDING DEMOGRAPHICS (Female Homemakers)	
25-34	+18
35-44	+14
45-54	+15
55-64	+13
Graduated college	+105
Working full time	+43
3 or 4 person household	+26
HH income $35,000 or more	+81
Single	+22
Black	+141

NOTE: All figures represent percent difference (plus or minus) from total U.S.

A higher percentage of Washington households have children living there than does any other of the 10 markets. Both prepared infant formula and baby foods sell best to blacks, while whites are better patrons for disposable diapers. Perhaps Washingtonians wait to have breakfast until they get to work, as products in this category perform poorly.

While most wines (except dessert and pop wines) sell better to whites, blacks show a stronger preference for brandy/cognac and for Scotch. Brews are comparatively weak here except for ale; and soft drink sales are precisely that. No standouts are apparent among the varieties of coffee and tea sold.

The Washingtonian sweet tooth is frequently sated by candy (sorry, no cross-tabs on jelly beans are available.) No variety of snack (except nuts) wins much notice from shoppers. Even less of a magnet is the dessert department, as the whole idea of preparing desserts from scratch appears to have been vetoed.

The frozens department holds much greater interest for shoppers here than does dairy. Highest use of frozens is apparently in planning the main meal of the day, as both vegetables and complete dinners score high, the former in households with high income and a homemaker who works part time, and the latter in lower income and black households.

BABY PRODUCTS	
Baby foods	+ 37
Infant cereal	+ 35
Bar soap for babies	+ 26
Prepared infant formula	+ 10
Vitamins for children	+ 7
Baby shampoo	– 27
Baby powder	– 31
Cotton swabs	– 41
Baby oil	– 43
Children's cough syrup	– 44

BREAKFAST FOODS/BAKED GOODS	
Breakfast/snack bars	+ 4
Toaster products	– 1
English muffins	– 1
Stuffing mixes/products	– 20
Breakfast cereals (cold)	– 22
Breakfast cereals (hot)	– 28
Peanut butter	– 28
Table syrup/molasses	– 43

ENTERTAINMENT BEVERAGES	
Port/sherry/dessert wines	+ 96
Sangria/pop/party wine	+ 41
Scotch whisky	+ 37
Gin	+ 26
Brandy & cognac	+ 19
Vodka	– 15
Diet soft drinks (not cola)	– 18
Domestic reg. beer	– 19
Canadian whisky	– 26
Rye or blended whisky	– 51

OTHER BEVERAGES	
Grapefruit juice	+ 5
Misc. fruit juices/drinks	0
Dry milk	– 21
Non-dairy cream subs.	– 23
Instant coffee (reg)	– 23
Instant iced tea mix	– 26
Drink additives	– 38

CANDY & SNACKS	
Mints	+ 15
Hard roll candy	+ 12
Nuts	+ 4
Packages misc. candy bars	+ 1
Corn/tortilla chips/snacks	– 28
Popcorn	– 28
Cough drops	– 35
Cookies	– 35
Crackers	– 37

DESSERTS	
Frosting/frosting mixes	– 10
Brownie/cookie mixes	– 13
Dry cake mixes	– 14
Canned puddings/fillings	– 18
Baking mixes	– 19
Instant powdered pudding	– 20
Granulated sugar	– 23
Whipped topping	– 25
Flour	– 33
Flavored gelatin desserts	– 46

DAIRY	
Butter	+ 3
Yogurt	– 3
Refrig. dough products	– 15
Ready-to-serve dips	– 19
Shortening	– 23
Spread cheese	– 32
American cheese	– 35
Fresh milk	– 41
Orange juice (not frozen)	– 41
Eggs	– 49

FROZEN FOODS	
Vegetables	+ 43
Complete dinners	+ 18
Orange juice	+ 9
Poultry	+ 8
Fish/seafood	+ 7
Waffles/pancakes/Fr. toast	– 4
Potato products	– 7
Corn on the cob	– 30
Ice cream/ice milk/sherb.	– 31
Pizza	– 47

Source: Mediamark Research Inc.

WASHINGTON, D.C.

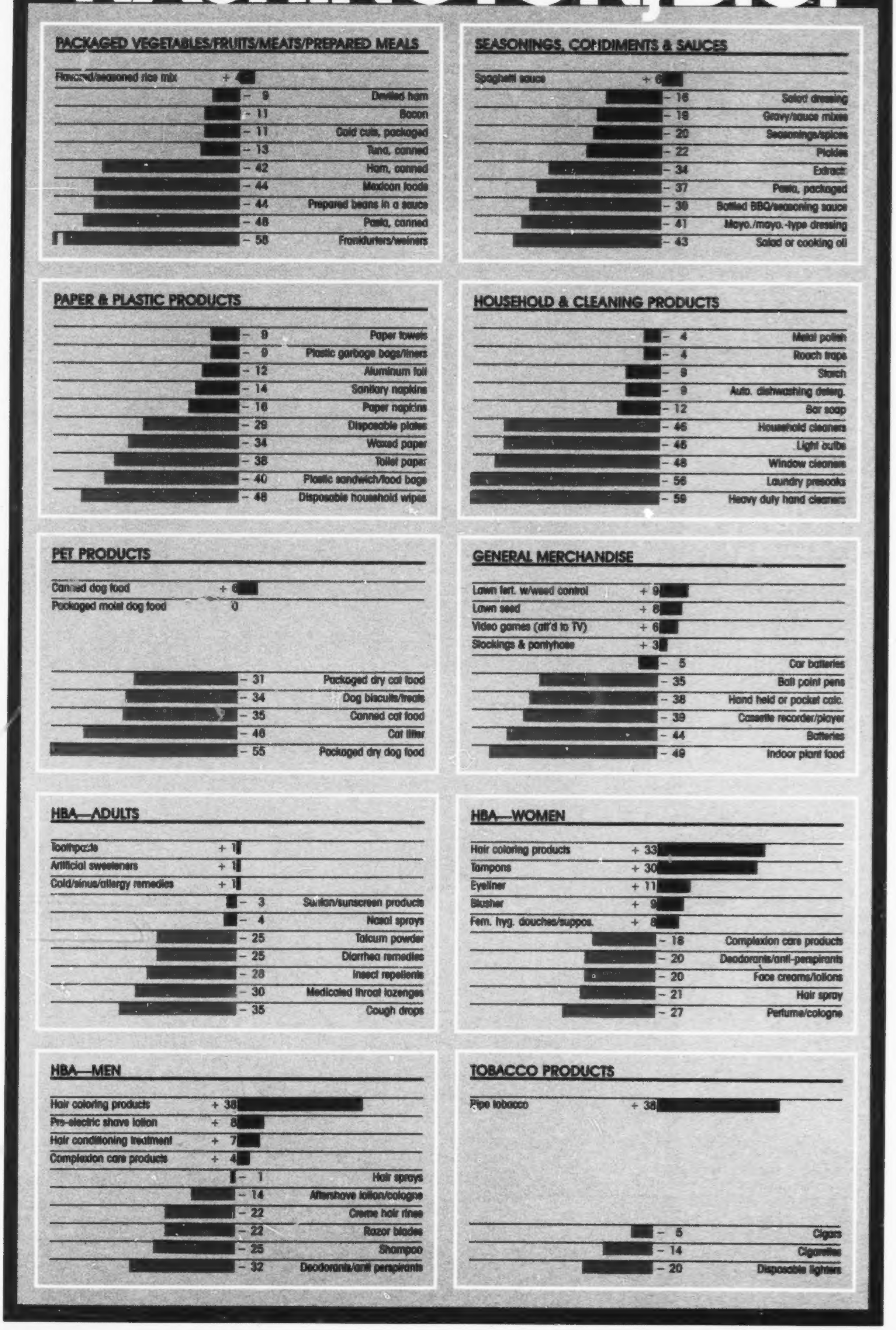
Given the poor showing of a wide variety of dry grocery food products, it seems safe to assert that item selection should be both short and tailored. Once again neighborhood demographics are paramount, with salad dressing, for example, selling at three times the rate among whites as among blacks.

While Washington may be celebrated as the country's principal fountain of paperwork, this doesn't carry over to supermarket paper departments. Only paper towels and plastic bags/liners even approach national rate of consumption. Household cleaners and supplies also show pronounced slackness.

While popularity of pet products in white households approximates the national incidence, usage in black households is low, bringing down the market's averages. Space given to pet departments here should obviously be in accordance with its demographic draw. Lawn supplies sell better where the grass is greener—near top-valued homes.

Whatever ails Washington these days, over the counter remedies are apparently not being tried as a cure. Few sell well here. But the HBA department is given a tonic with some fast-moving women's items, notably hair-coloring products, with their strong appeal to women who work full time and to black women.

Does he or doesn't he? Despite denials that hair coloring is used at the top of the D.C. power pyramid, this product is the only one in this group that wins a higher incidence of usage in Washington than in the other nine markets. White and middle income males often opt for a pipe.



Source: Mediamark Research Inc.

Continued from page 25

PRODUCT INDEX

Product	Percent Using Total U.S.	(Base)	Classification
Pain relieving rubs/ liquids	31.4	(AU)*	HBA-A
Pancake/waffle mix	38.9	(1+ carton L30D)	BF/BG
Pantyhose/stockings	41.3	(3+ bought L30D)***	GM
Pasta, canned	15.5	(2+ cans L30D)	Pk/Pr
Pasta, packaged	18.0	(4+ lbs L30D)	C/S/S
Peanut butter	28.6	(2+ jars L30D)	BF/BG
Pens, ballpoint	36.2	(purchased L12M)*	GM
Perfume/cologne	49.8	(7+ times L7D)***	HBA-W
Photography	18.4	(participated L12M)*	GM
Pickles	32.0	(2+ jars L30D)	C/S/S
Pipe tobacco	3.4	(AU)*	Tob
Pizza, frozen	24.6	(2+ pkg L30D)	FF
Plant food, indoor	31.4	(AB)	GM
Plastic-type kitchen wrap	44.7	(2+ rolls L6M)	Paper
Plates, disposable	37.5	(1+ pkg L30D)	Paper
Pork sausage	33.2	(2+ lbs L30D)	Pk/Pr
Popcorn	35.9	(2+ bowls L30D)	C/S
Potato chips	47.6	(2+ pkg L30D)	C/S
Potatoes, packaged instant	26.5	(1+ pkg L30D)	Pk/Pr
Potato products, frozen	23.3	(2+ pkg L30D)	FF
Poultry, frozen	26.0	(1+ pkg L30D)	FF
Powder, pressed	24.4	(3+ times L7D)	HBA-W
Prepared dishes/ dinners, complete pkgd	22.8	(2+ pkg L30D)	Pk/Pr
Presoaks, laundry	16.1	(3+ loads L7D)	H/C
Pretzels	24.2	(1+ boxes L30D)	C/S
Pudding, instant powdered	27.7	(2+ boxes L30D)	Des
Puddings/pie fillings, precooked/canned	22.7	(AB)	Des
R			
Razor blades, men	46.5	(3+ blades L7D)**	HBA-M
Razor blades, women	43.3	(AU)***	HBA-W
Razors, disposable, men	33.7	(AU)**	HBA-M
Razors, disposable, women	44.7	(AU)***	HBA-W
Relish, pickle	33.6	(1+ jars L3M)	C/S/S
Rice	25.8	(2+ pkg L30D)	Pk/Pr
Rice mixes, flavored/ seasoned	18.1	(1+ pkg L30D)	Pk/Pr
Roach traps	9.4	(AB)	H/C
Room deodorizers	35.6	(2+ cont. L3M)	H/C
Rubber gloves	29.4	(AB)	H/C
Rug/carpet cleaners	40.8	(AB)	H/C
Rum	15.1	(AU)*	Bev-E
Rye or blended whisky	5.9	(AU)*	Bev-E
S			
Salad dressing	28.3	(3+ bottles L30D)	C/S/S
Sandwich or food bags, plastic	24.7	(2+ boxes L30D)	Paper
Sanitary napkins	32.8	(5+ times L30D)***	Paper, HBA-W
Sauce/gravy mixes	18.7	(2+ pkg L30D)	C/S/S
Sausage, pork	33.2	(2+ lbs L30D)	Pk/Pr
Scouring pads	42.0	(3+ pads L30D)	H/C
Scouring powder	32.7	(2+ cans L30D)	H/C
Scotch whisky	10.3	(AU)*	Bev-E
Seasonings/spices	40.1	(3+ pkg L6M)	C/S/S
Seeds, flower	25.0	(Used L12M)*	GM
Seed, lawn	15.7	(Used L12M)*	GM
Seeds, vegetable	27.3	(Used L12M)*	GM
Shampoo, men	66.2	(3+ times L7D)**	HBA-M
Shampoo, women	59.2	(3+ times L7D)***	HBA-W
Shave lotion, pre-electric	13.5	(AU)**	HBA-M
Shaving creams, gels	53.0	(3+ times L7D)**	HBA-M
Shortening	37.3	(2+ lbs L30D)	Dairy
Snack cakes	34.1	(AB)	C/S
Snack bars, breakfast	13.7	(AU)	BF/BG
Soap, bar	15.2	(7+ bars L30D)	H/C
Soaps/detergents, fine fabrics	20.6	(3+ loads L7D)	H/C
Soaps/detergents, reg. laundry	63.0	(4+ loads L7D)	H/C
Soft drinks, diet (not cola)	24.4	(AU)*	Bev-E
Soft drinks, powdered	33.2	(AU)	Bev-O
Soft drinks, regular	44.2	(AU)*	Bev-E
Soy sauce	41.4	(1+ bottles L6M)	C/S/S
Spaghetti sauce	29.3	(2+ cans L30D)	C/S/S
Starch	16.4	(1+ cont. L30D)	H/C
Stockings/pantyhose	41.3	(3+ bought L30D)***	GM
Stuffing mixes/ products	31.8	(AB)	BF/BG
Sunburn remedies	17.4	(AU)*	HBA-A
Sunglasses	16.0	(Bought L6M)***	GM
Suntan/sunscreen products	33.4	(AU)*	HBA-A
Sugar, granulated	64.9	(4+ lbs L30D)	Des
Sweeteners, artificial	24.5	(AU)*	HBA A
Syrup/molasses	17.5	(2+ cont L30D)	BF/BG
T			
Talcum powder	30.7	(5+ times L7D)*	HBA-A
Tampons	23.7	(7+ times L30D)***	HBA-W
Tape, cellophane	[illegible]7.0	(3+ rolls L6M)	H/C
Tea, instant	24.9	(AB)	Bev-O
Tea, instant, iced mix	22.4	(1+ glass avg day)	Bev-O
Tea, regular	39.5	(2+ glass avg day)	Bev-O
Teething remedies	5.5	(AU)	Baby
Throat lozenges, medicated	13.4	(2+ times L7D)*	HBA-A
Tissue, facial	24.6	(3+ boxes L30D)	Paper
Tobacco, pipe	3.4	(AU)	Tob
Toilet bowl cleaners, in-bowl	56.8	(AB)	H/C
Toilet bowl cleaners, in-tank	33.4	(AB)	H/C
Toilet paper	60.9	(5+ rolls L30D)	Paper
Toaster products	19.5	(AB)	BF/BG
Toothache/gum/ canker sore remedies	9.4	(1+ times L30D)*	HBA-A
Toothpaste	57.7	(11+ times L7D)*	HBA-A
Topping, whipped	47.9	(1+ cont. L30D)	Des
Towels, paper	35.3	(4+ rolls L30D)	Paper
Tuna, canned	36.0	(3+ cans L30D)	Pk/Pr
U			
Underwear, men's	44.0	(Bought L12M)**	GM
V			
Vegetables, canned or jarred	43.6	(5+ cans L30D)	Pk/Pr
Vegetables, frozen	18.4	(7+ pkg L30D)	FF
Video games (att'd to TV)	12.7	(Own)*	GM
Vitamins, children's	17.5	(AU)	Baby
Vodka	17.8	(AU)*	Bev-E

Continued on page 81

Continued from page 78

PRODUCT INDEX

Product	Percent Using Total U.S.	(Base)	Classification
W			
Waffles/pancakes/ French toast, frozen	23.8	(AB)	FF
Waffle/pancake mix	38.9	(1 + carton L30D)	BF/BG
Water, bottled	9.3	(AU)	Bev-E
Waxed paper	19.5	(2 + rolls L6M)	Paper
Wieners/frankfurters	25.4	(3 + lbs L30D)	Pk/Pr
Whisky, Canadian	11.7	(AU)*	Bev-E
Window cleaners	41.5	(2 + cont L6M)	H/C
Wine, dessert/port/ sherry	6.0	(AU)*	Bev-E
Wine, domestic dinner table	29.0	(AU)*	Bev-E
Wine, imported dinner table	16.5	(AU)*	Bev-E
Wine, party/sangria/ pop	6.9	(AU)*	Bev-E
Wine, sparkling/ champagne/cold duck	14.8	(AU)*	Bev-E
Wipes, disposable household	18.9	(AB)	Paper
Wrap, plastic-type kitchen	44.7	(2 + rolls L6M)	Paper
Wax, polish, auto	33.5	(AB)	GM
Wipes, pre-moistened cleaning	12.3	(AU)	Baby
Y			
Yogurt	22.2	(1 + cups L7D)	Dairy

PROCTER & GAMBLE

NOTICE TO THE TRADE

ATTENTION STORE MANAGER:

We offer Cooperative Merchandising Agreements, promotion allowances and merchandising materials which are practical and usable by all retailers regardless of size.

Payments are made for newspaper or handbill featuring, display, and consumer directed promotion. Details are set forth in specific agreements. Proof of performance (e.g. tear sheets) and proof of delivery (jobber's invoice) are required for payment of allowance. Our merchandising materials consist of display material, newspaper mats and proofs etc.

If you would like to receive specific information on offers available to you, send your name, address and telephone number to Procter & Gamble, Box 162, Cincinnati, Ohio 45201. Please specify, if possible, the Division in whose brands you are interested.

Packaged Soap & Detergent Division
Beauty Care Division
Health & Personal Care Division
Paper Products Division
Food Products Division
Bar Soap & Household Cleaning Products Division
Coffee Division

BOYLE-MIDWAY

NOTICE TO THE TRADE

ATTENTION STORE MANAGER: We offer Cooperative Merchandising Agreements, promotion allowances and merchandising materials which are practical and usable by all retailers regardless of size.

Payments are made for newspaper or handbill featuring, display, and consumer-directed promotion. Details are set forth in specific agreements. Proof of performance (e.g., tear sheets) and proof of delivery (jobber's invoice) are required for payment of allowance. Our merchandising materials consist of display material, newspaper mats and proofs etc.

If you would like to receive specific information on offers available to you, send your name, address and telephone number to:

Boyle-Midway
Sales Department
685 Third Avenue
New York, New York 10017

Notice to all retailers

Periodically, Mobil Chemical Company's Consumer Products Division offers promotional discounts and/or special allowances for displaying, advertising and promoting its Hefty® line of products.

For details send your Name, Address and Telephone Number to your local Mobil Chemical sales representative or write to: Mobil Chemical Company, Consumer Products Division, Sales Promotion Department, Pittsford, N.Y. 14534.

Mobil Chemical Company
Division of Mobil Oil Corporation
Consumer Products Division
Pittsford, N.Y. 14534

four-week period were cream deodorants dipping 11.6 percent and feminine hygiene deodorants with a decline of 6.1 percent.

In the first aid product product group, the first aid products category climbed back into the plus column, on the basis of a small 1.2 percent increase. First aid antiseptic movement continued strong, and the most recent four-week gain amounted to 8.8 percent, slightly less than the 12.2 percent increase during the preceding period.

Hair care

In the hair care needs product group, there were two categories with negative trends in contrast with the preceding period when all seven categories enjoyed volume plusses. Currently running in arrears are hair conditioning rinses (−5.1 percent), and home permanent kits (−5.2 percent). The highest gains were found among hair dressing needs (+36.1 percent), where new mousse grooms have been proliferating. Hair kits such as Dippity Do and Dep have been showing growth and expanding the size of this category. Hair sprays had an increase of 12.0 percent or just under the 12.5 percent gain in the preceding period. The highest increase in terms of number of units was 1.2 million for shampoo, which was +5.4 percent on a percentage basis.

During the period ending March 30, the same two categories that had been downside during the preceding period were below last year's volume. The decline was only 0.8 percent for breath fresheners but amounted to 6.6 percent in the case of denture cleaners. The highest gain rates were 8.9 percent for toothbrushes and 3.8 percent for denture adhesives.

The only significant category loss in the proprietary remedy product group was a situation of continuing weakness among cough remedies. This category had a loss rate of 4.3 percent for the four-weeks and 2.8 percent for the full year. Proprietary tranquilizers declined 16.6 percent but on a small volume base. The highest unit volume increases, consistent with annual trends, were for eye care products (+20.5 percent) sleeping aids (+19.9 percent) and cold tablets (+12.7 percent). Much of the growth among eye care products has come from roll-out contact lens solutions where several brands have added new markets of food store distribution. The largest volume category in the product group—internal analgesics—showed a unit volume gain of only 0.8 percent, while antacids rose a minuscule +0.2 percent. A third category increasing less than 1 percent was chest rubs, ahead 0.7 percent for the four weeks. The most recent category to be added to the SAMI roster—appetite suppressants—had a unit gain of only 1.1 percent, well below the 12-week gain rate of 8.3 percent.

Shaving needs decline

Although there were unit volume gains in four out of five categories in SAMI's shaving needs product group, a loss of 4.5 percent in razor blades, the largest category in this group was sufficient to cause a small decline (0.6 percent) in the product group as a whole. Sales of shaving creams have been rising so consistently, one is almost surprised to see men with beards anymore, but the current rate of +8.0 percent is lower than the full year (+14.2 percent) or the 12 weeks (11.1 percent). New Soft Shave and Gillette Foamy Gel have played a role in increasing the size of this category.

The only 4-week loss situation among skin care aids categories was found among suntan lotion-suntan oil (−22.5 percent) and, in spite of the size of this decline, percentage-wise, during the winter months a fairly large percentage decrease does not translate into a large number of sales dollars. The two skin care aids product categories with substantial upward trends are lip care products (+26.5 percent) and hand & body creams/lotions (+20.8 percent). In both cases, the 28-day movement percent increase was higher than growth seen on either an annual or 12-week basis.

As can be seen, the majority of health and beauty aids categories are headed upward and thus far, 1984 is continuing the strong trends that prevailed during most of 1983. ■

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO		
	4 WEEKS ENDING 2/3/84	4 WEEKS ENDING 3/2/84	4 WEEKS ENDING 3/30/84
BABY NEEDS	+ 2.2%	+ 2.1	+ 1.2%
Baby Powders	− 6.7	+ 1.1	− 6.1
Baby Oils, Creams & Lotions	+ 7.3	+ 1.6	+ 4.4
Infant Clothes	− 10.1	− 10.8	− 9.7
Nursing Supplies	+ 5.5	+ 8.2	+ 5.2
DEODORANTS	+ 6.9%	+ 10.4%	+ 13.4%
Sprays	+ 2.5	+ 8.3	+ 8.5
Roll-On	+ 10.2	+ 16.3	+ 17.8
Stick Deodorants & Pads	+ 13.3	+ 15.0	+ 21.3
Creams	− 4.2	− 3.3	− 11.6
Deodorants & Talcum Powders	− 2.2	+ 0.9	+ 2.6
Feminine Hygiene Deodorants	− 16.1	− 3.3	− 6.1
Foot Deodorants & Athlete's Foot Remedies	+ 5.6	+ 11.7	+ 8.5
Feminine Douches	+ 1.9%	− 1.2	+ 8.0
FIRST AID	+ 2.2%	+ 0.9%	+ 2.6%
Antiseptics	+ 4.2	+ 12.2	+ 8.8
First Aid Products	+ 1.8	− 1.6	+ 1.2
HAIR CARE NEEDS	+ 2.2%	+ 6.8%	+ 6.3%
Shampoos	+ 4.0	+ 5.3	+ 5.4
Hair Sprays	+ 2.3	+ 12.5	+ 12.0
Hair Conditioning Rinses	− 3.6	+ 3.9	− 5.1
Hair Setting Needs	+ 43.6	+ 36.4	+ 32.6
Home Permanent Kits	+ 1.3	+ 2.3	− 5.2
Hair Coloring	− 4.1	+ 2.4	+ 5.2
Hair Dressing Needs	+ 7.2	+ 14.9	+ 36.1
ORAL HYGIENE	− 0.7%	+ 3.8%	+ 1.6%
Toothpastes & Powders	− 2.0	+ 4.9	+ 0.9
Mouthwashes	+ 2.6	+ 0.8	+ 1.3
Breath Fresheners	+ 11.2	− 1.1	− 0.8
Denture Cleaners	− 3.3	− 7.5	− 6.6
Denture Adhesives	+ 1.3	+ 0.6	+ 3.8
Toothbrushes	+ 1.8	+ 8.7	+ 8.9
PROPRIETARY REMEDIES	+ 2.0%	+ 1.1%	+ 1.9%
Antacids	+ 1.3	+ 1.3	+ 0.2
Internal Analgesics	+ 4.4	+ 4.1	+ 0.8
External Analgesics	+ 8.7	+ 2.4	+ 7.6
Cold Tablets	+ 11.7	+ 4.4	+ 12.7
Nasal Sprays—Drops—Inhalers	− 4.6	− 7.7	+ 3.4
Chest Rubs	− 6.8	− 5.9	+ 0.7
Cough Remedies	− 5.6	− 5.3	− 4.3
Laxatives	+ 0.9	− 0.7	+ 1.8
Sleeping Aids	+ 19.6	+ 25.8	+ 19.9
Tranquilizers	+ 30.9	− 13.8	− 16.6
Vitamins	+ 8.1	+ 10.0	+ 8.2
Eye Care Products	+ 9.8	+ 14.3	+ 20.5
Appetite Suppressants	+ 19.5	+ 5.7	+ 1.1
SHAVING NEEDS	+ 4.0%	+ 6.6%	− 0.6%
Shaving Creams	+ 13.2	+ 11.8	+ 8.0
Pre-Shave Lotions	+ 8.5	+ 12.2	+ 4.8
After Shave Lotions	+ 12.7	+ 10.9	+ 7.9
Razor Blades	− 0.4	+ 1.1	− 4.5
Razors & Blades	+ 3.9	+ 18.3	+ 18.8
SKIN CARE AIDS	+ 12.6%	+ 7.9%	+ 8.4%
Hand & Body Creams & Lotions	+ 18.1	+ 11.5	+ 20.8
Facial Preparations	+ 4.2	+ 4.5	+ 0.3
Lip Care Products	+ 15.3	+ 17.0	+ 26.5
Suntan Lotions & Oils	+ 67.6	− 7.7	− 22.5
Cosmetic & Therapeutic Skin Aids	+ 6.5	+ 1.0	+ 2.1
TOTAL ALL CATEGORIES	+ 2.6%	+ 4.3%	+ 3.6%

SUPERMARKET BUSINESS

In this issue
INSTORE BUSINESS
In Selected Editions Only

C 34[illegible]-1A

Today's hard, sharp independents

CLOSE UP:
Keene, N.H.
Madison, Wis.,

PUBLISHER:
Jeffrey A. Schaeffer
EDITOR:
Kenneth P. Partch
SENIOR EDITOR:
Douglas T. Harris, Jr.
MANAGING EDITOR:
Robert J. Hughes
ASSOCIATE EDITOR:
Sarah Lum
ASSISTANT EDITOR:
Marianne Skoczek
ART DEPARTMENT:
Karen Sockler
CONTRIBUTING EDITORS:
Meat: **Kenneth Johnson,**
John Francis
Produce: **Barney H. McClure**
Technology: **Richard Shulman**
Store Planning: **David Rogers**
Washington: **S.S. Filippone**
CIRCULATION MANAGER:
Virginia Bucci Posner
PRODUCTION MANAGER:
Daniel Coakley
DIRECTOR OF PUBLICATION
RESOURCES AND RESEARCH:
Norman Bussel
914-528-1369

ADVERTISING SALES:
EAST:
NORTHEAST REGIONAL SALES
MANAGER:
Jack Driscoll
SOUTHEAST REGIONAL SALES
MANAGER:
Al Greenberger
EASTERN REGION ACCOUNTS
MANAGER:
Jerry Whitman
Fieldmark Media, Inc.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
CHICAGO:
MIDWEST DIVISION SALES MANAGER:
Dave Wishard
MIDWEST REGIONAL SALES MANAGER:
Allan Preiss
Fieldmark Media, Inc.
3530 W. Peterson Ave.
Chicago, Ill. 60659
312-583-1318
WEST COAST:
Sue Marritt
Fieldmark Media, Inc.
15910 Ventura Blvd., Suite 800
Encino, Calif. 91436
818-783-5888

CORPORATE STAFF
FIELDMARK MEDIA, INC.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
212-354-5169
PRESIDENT:
Jeffrey A. Schaeffer
ADMINISTRATIVE MANAGER:
Catherine Cahill
BUSINESS MANAGER:
Eric Braunstein
CORPORATE DIRECTOR
SALES AND MARKETING:
Thomas M. Rigney
AFFILIATED PUBLICATION:
Milling & Baking News
Sosland Publishing Co.
Kansas City, Mo.
COVER PHOTOGRAPHY:
Jerry and Nancy Palubniak

SUPERMARKET BUSINESS Magazine (ISSN 0196-5700) is published monthly by Fieldmark Media, Inc., 25 W. 43rd St., New York, N.Y. 10036. Telephone: (212) 354-5169. Circulated free of charge to grocery retailers and wholesalers. U.S. subscriptions $32 per year; Canada, $37 per year. Foreign subscriptions $48. Single copies $3.50 except Consumer Expenditures Study (September issue) $15 per copy. (Discount prices available on multiple purchases.) Copyright © 1984 Fieldmark Media, Inc. All rights reserved. Second class postage paid at New York, N.Y., and additional mailing offices.

BPA ABP American Business Press Inc.

SUPERMARKET BUSINESS

VOLUME 39
NUMBER 7
JULY 1984

PAGE 14
TWO BIG INDEPENDENTS SQUARE OFF IN MADISON, WISCONSIN

It isn't a typical price war in Madison. Cub, with its well-established format, strong game plan and well-organized systems and controls is being strongly challenged by Woodman's—a 120,000-sq.-ft. super warehouse store that not only emphasizes prices but service. This isn't a battle between giant corporate chains or corporate wholesalers. It's a war between powerful mavericks.

PAGE 20
WHY IS KEENE, N.H. (POP. 22,000) UNDER SIEGE?

Keene is the shopping center of southwestern New Hampshire, and there isn't a big city for around 50 miles. But despite the attractiveness to shoppers of the state—no sales tax, low-priced liquor—can that alone justify the need for two new super warehouse stores and a new super service store?

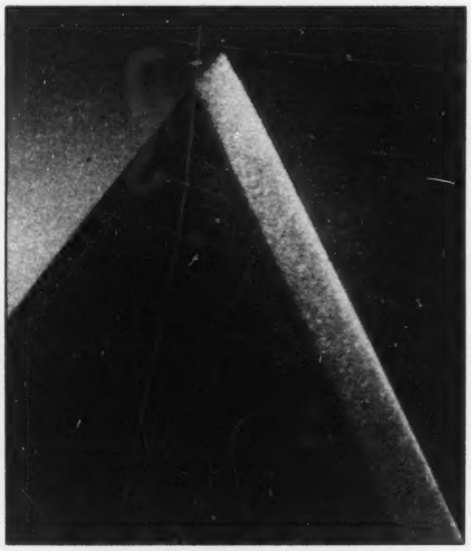
FACING PAGE 20:
PAGE 1A
INSTORE BUSINESS* SECOND ANNUAL OPERATIONS REVIEW

PAGE 29
WHEN SHOULD YOU TAKE A CASH DISCOUNT?

With the number of deals being offered increasing constantly, it's important to know which ones to take and how much to buy. Giant warehouse stores have been able to forward buy in a big way. They've used this advantage to sell profitably at low prices. But you don't have to be a goliath to obtain the benefits of most deals. What matters is developing an effective buying strategy. Here, a financial expert explores the field.

FACING PAGE 36:
PAGE 1B
NONFOODS BUSINESS* MERCHANDISING BACK-TO-SCHOOL PRODUCTS

This solid and steady year-to-year category can still be an exciting one if it's approached with new merchandising ideas. Two stores have done very well by the back-to-school category with innovative retailing.



PAGE 4B
RE-INVENTING THE GENERAL STORE

The Pick 'N Save Warehouse in Gurnee, Ill., has more than just a nonfoods section: it's got a whole General Store that offers everything from lawn mowers to paints to wall coverings.

ALSO IN NONFOODS BUSINESS:

SAMI PAGE 7B
NEW PRODUCTS PAGE 10B

PAGE 38
GOING APE ON PROMOTIONS

Price Chopper, in New York State, goes beyond the ordinary in its instore promotions. If you think a King Kong-like gorilla poised between aisles is something, how about a Cadillac parked in the produce section?

OTHER FEATURES AND DEPARTMENTS

EDITOR'S VIEW PAGE 5
TRADESCAN PAGE 7
TECHNOLOGY PAGE 27
NEW PRODUCTS PAGE 33
PRODUCE PAGE 34
NEW EQUIPMENT PAGE 37

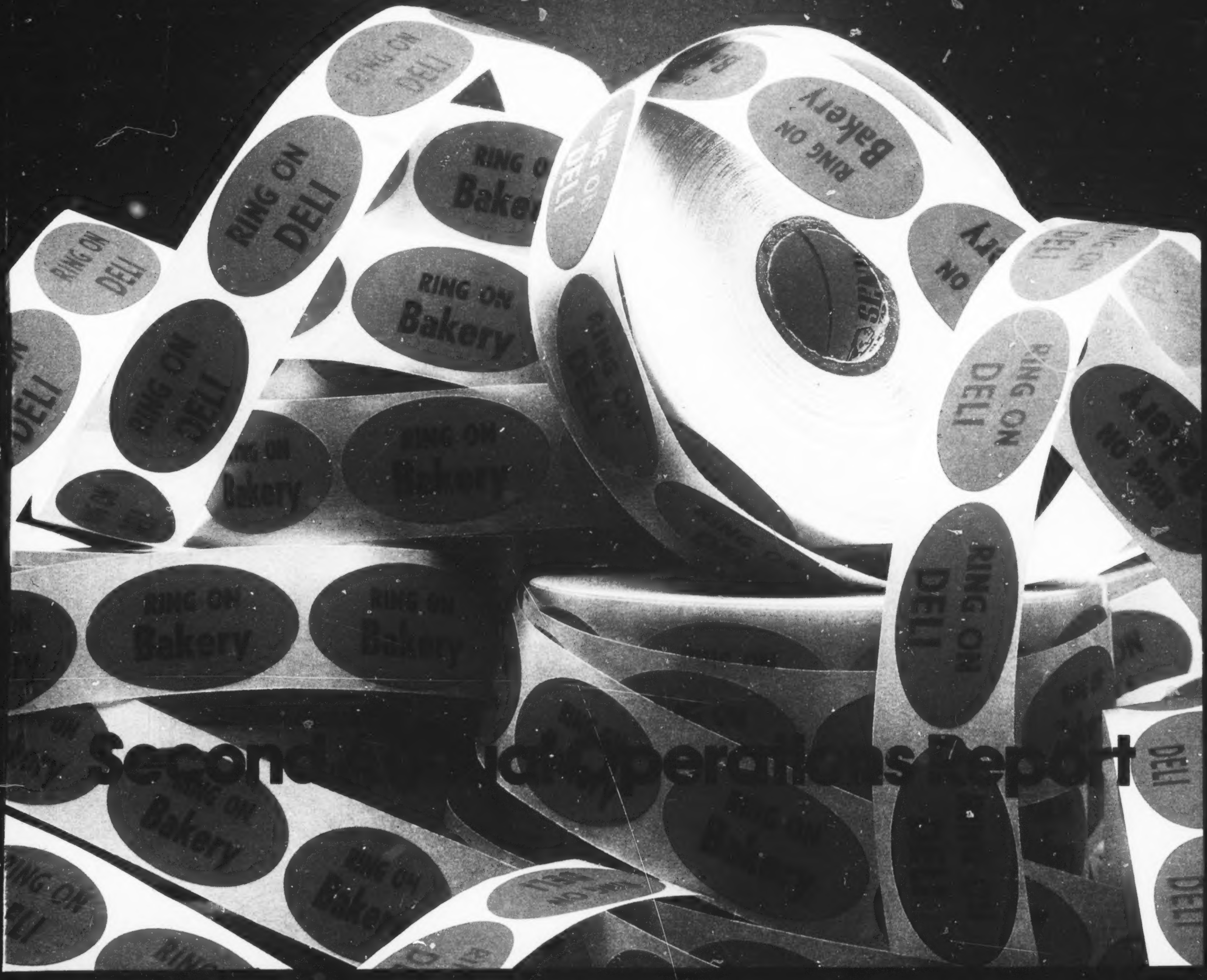
*IN SELECTED EDITIONS ONLY

SUPERMARKET BUSINESS

PART TWO OF TWO PARTS

instoreBUSINESS

FOR DELIS, BAKERIES & FOOD SERVICE


RING ON DELI
RING ON Bakery

Second Annual Operations Report

instore
BUSINESS

COVER PHOTOGRAPHY:
Jerry and Nancy Palubniak

2nd Annual Operations Report

For the first time anywhere, the two fastest-growing departments in the supermarket share an Annual Report of their own. Last year's enumeration of operating data—including margins, product mix and transaction size— has been expanded to present an authoritative census of the number of departments and their sales. Tracking the awesome trajectory of the service deli and instore bakery department is a fitting undertaking for the only publication dedicated to chronicling their growth, while growing along with them.

SERVICE DELI
PAGE 4A

Hot Foods Help Heat Up Deli Sales

While $4.59 billion may seem like a lot of potato salad and cole slaw, it may only be a twig of parsley garnish compared to the potential of service deli. Almost half of supermarkets still don't have a service deli, and those that do see three out of four customers pass them up. Some of today's big sellers—like pizza, chicken and ribs—may presage more upmarket lines of take-home entrees and meals in the future, according to the forecasts of many operators.

INSTORE BAKERY
PAGE 5A

Cost-Consciousness Campaign Recruits Self-Service

Customer draw? Definitely. Loss leader? No way. To make sure bakery profits don't fall like flour through a sifter, operators are watching their production and merchandising procedures as closely as their ovens these days. What they're seeing is that the judicious use of innovative new self-service merchandising techniques can be both a crowd-pleaser and a tonic for the bottom line. Other data confirm what you probably already suspected: croissant can be translated as "very popular indeed."

Four Simple Steps to Do-It-Yourself Breakeven Analysis

PAGE 18A

Before committing yourself to a new food service venture, a short workout with some worksheets may be beneficial to your fiscal health. The example shown here can easily be adapted to your own situation.

NEW PRODUCTS
PAGE 22A

ONE STOP BAKERY SHOP

ALL KINDS, SORTS, TYPES, SHAPES, SIZES
STYLES, FORMS, DIMENSIONS, TASTES, FLAVORS

That's right…in fact, we offer a surprising variety of many quality frozen products to please you and your customers. Each of them meticulously prepared in the most modern and sophisticated bakery in all the land.

Our emphasis is on quality. We take the finest of French recipes and work them into gourmet delights…hundreds of folded and rolled…and rerolled…layers of rich pastry doughs interlayered with margarine or butter. It's enough to make a gourmet's mouth water.

Everything arrives raw-frozen, ready for your ovens. You can be serenely confident that you'll receive the finest quality results every time. *That's right…every time!* How come?

Because Orange Bakery utilizes the most sophisticated equipment known in the American Baking Industry. We turn our special Rheon MM production system into the most exacting French chef in the world. And the fastest, too. Imagine… 17 000 1.6-ounce croissants every hour.

We have it all: unmatched quality, infinite variety…and these combine to give you enormous profit potential. And that, after all, is the bottom line.

Orange Bakery, Inc.
17751 Cowan Avenue, Irvine, California 92714 Phone (714) 540-4121
SUPPLIERS OF RAW-FROZEN AND BAKED PASTRY

SECOND ANNUAL

PREPARED BY
ROBERT DIETRICH

Service Deli Review

Three out of four service delis are located first in store traffic flow. And that's no accident, as anyone who believes in the importance of first impressions can testify. A strong transmission of a service and freshness image gives an immediate down-the-first-aisle boost to overall store image.

While sales rose last year by 15.6 percent to $4.59 billion, operators see a far greater potential that's still unrealized. After all, an estimated three out of four customers see the deli first but then pass it by without making a purchase.

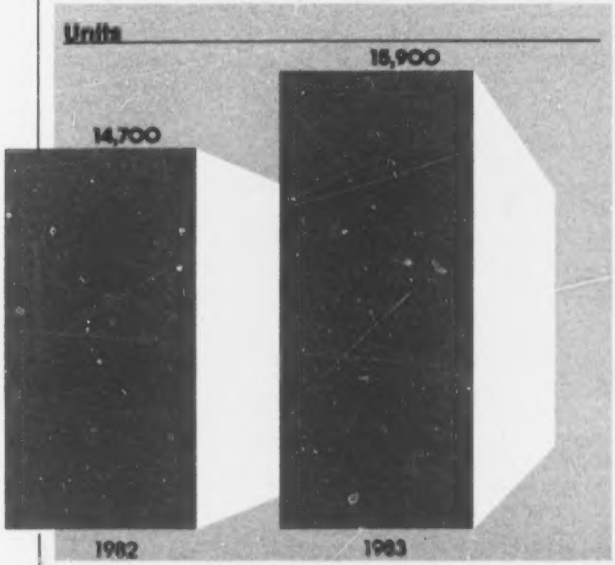
As in any supermarket department, new products are seen as a way of combatting customer indifference. In delis these days, that new product is likely to be pizza—often prepared to customer specifications by a serviceperson.

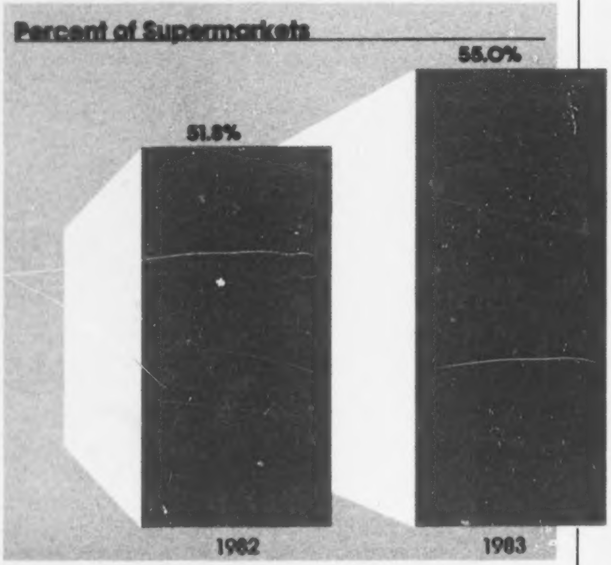
More traditional deli fare such as hot chicken and ribs are proving a strong customer draw. Stores that did without them are now buying cooking and merchandising equipment to ride with this trend.

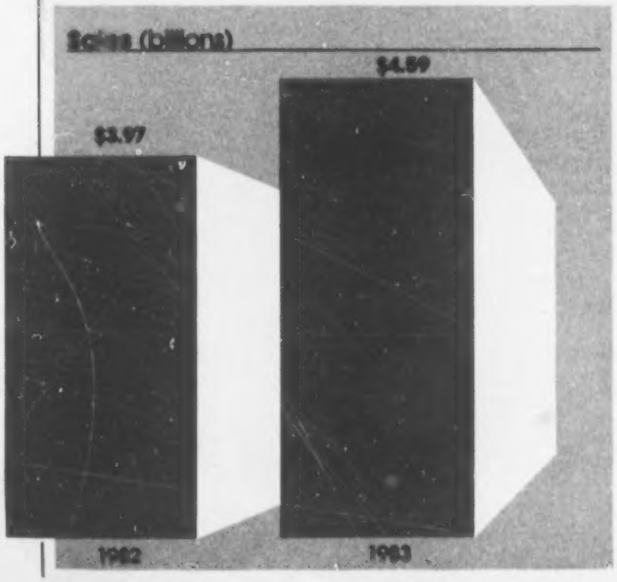
In the past, hot foods have often proved a problem to service delis, with many feeling that the appearance of sometimes dried up foods on sloppily maintained steam tables undermined departmental image.

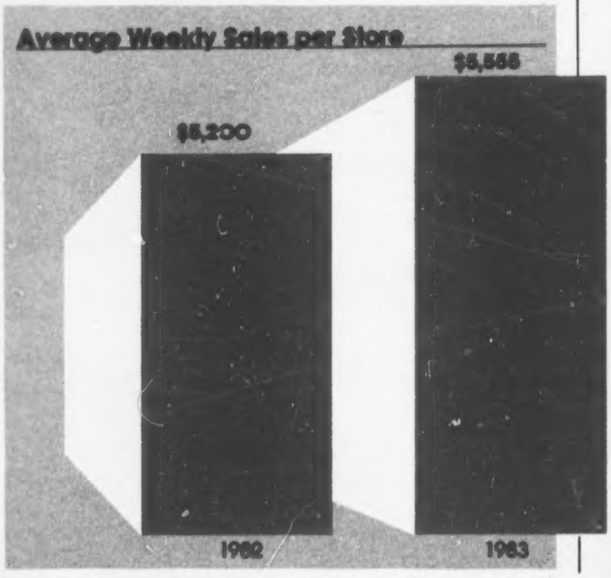
But these days there's growing interest in finding a mix of entrees and meals for busy shoppers to take home that will *enhance*, rather than detract from, the appeal of the department. The secret this time around, some operators say, will be to present wholesome, high quality hot items in line with customer expectations and willingness to pay for value.

Future prosperity will also hinge on service—having enough help on hand at peak times. This can be translated to mean both better scheduling and greater dependency on part-timers.









The service deli presence has been extended to 55.0% of supermarkets. Today's shoppers want the freshness and convenience of a well-stocked and well-serviced department, and laid down $4.59 billion last year to prove it. The total rise in sales of 15.6% was abetted by an increase in units of 8.2% to 15,900 as well as a 6.8% increase in average unit sales. The service department director of a California-based chain forecasts, "All new stores and remodels will have a service deli."

Instore Bakery Review

It was a year in which instore bakeries attained a presence in over half of U.S. supermarkets (54 percent), and sales rose by 19 percent to $3.25 billion.

More important for the long-term health of the sector was a pre-occupation with profit protection through cost control. The effort led to reevaluation of practices in several areas: production methods; equipment; labor; and service policies.

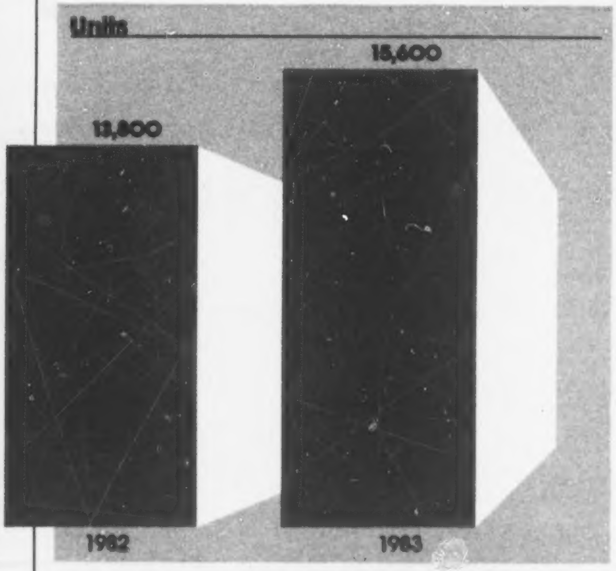
This sometimes meant a review of the product mix. Were some products too labor-intensive as presently prepared? If so, should they be dropped, or should an alternative method of production be adopted? Or could time- or energy-saving equipment (such as more efficient ovens) make the fiscal difference?

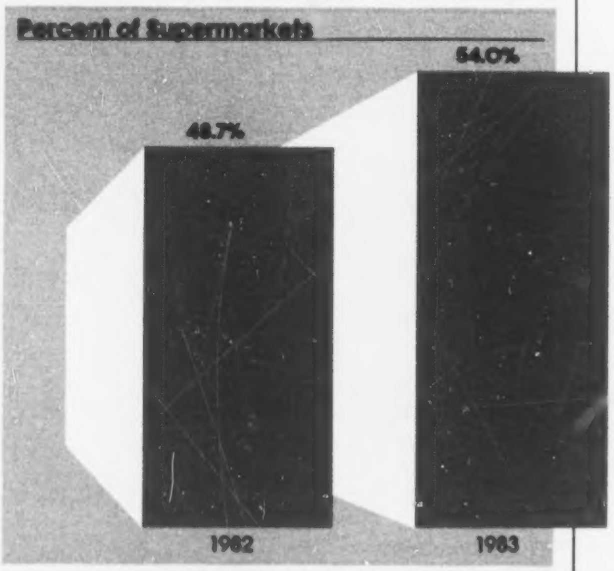
Most attention, however, was focused on self-service, which ingenious bakery operators developed into a whole new art form, with carefully modulated variations to fit location and store format. While smaller independents found a formula that their customers responded to, super warehouse stores like Cub created self-service facilities compatible with their own unique environment.

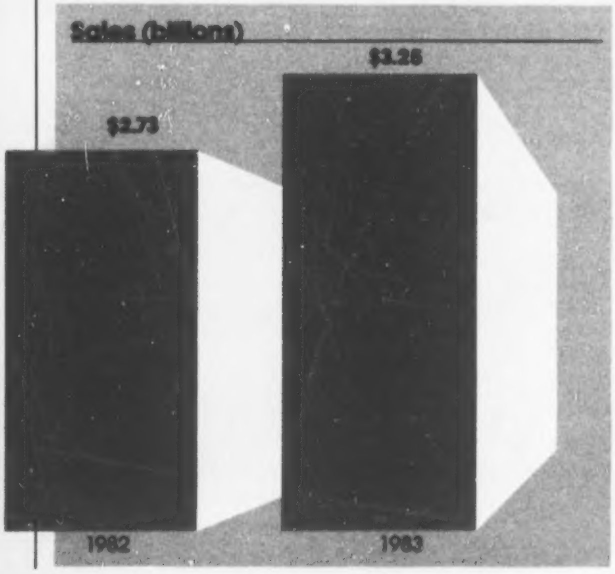
Half of all operators foresee a trend toward more self-service in the future, be it roll bins or a wall of cases with sweet goods.

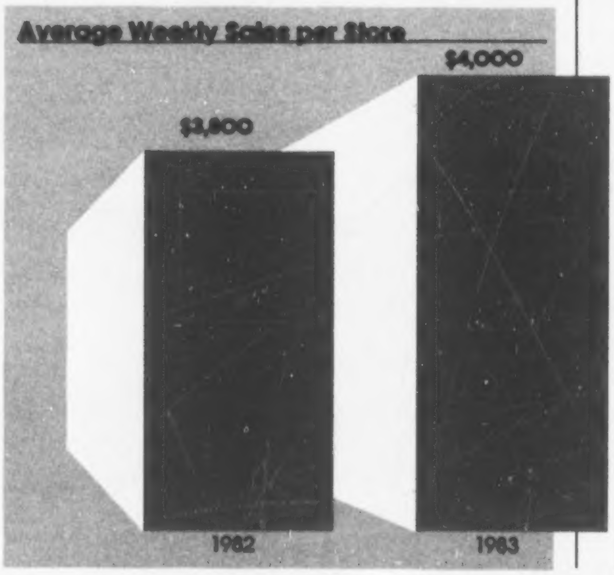
In addition to cost-cutting, this movement could make an important contribution to sales-building as customers who were formerly too impatient to wait their turn for service enthusiastically tong their own fresh baked goods.

Meanwhile, the product's still the thing, and bakeries that are serving a rush of croissant and bagel fanciers this year can be expected to find some new recipes to enhance their success in the future.









Sales of supermarket in-store bakeries skyrocketed 19%—or half a billion dollars—to $3.25 billion last year. For the first time bakeries could claim a presence in over half (54% to be precise) of all supers, with their count rising by 13% to 15,600. Few new stores opened without a bakery installation, and many older stores had these departments grafted on during remodeling. A further nudge to total volume came from a 5.3% increase in average weekly sales per store to $4,000.

NOTE: For meaningful comparison with your own operations, two types of averages are shown in this report. The mean is a straight arithmetic average. The median represents the central value when the responses are arrayed in rank order—meaning that half the respondents gave an answer higher than the median, and half gave a lower answer. The figures in this report are based on mail responses by industry executives responsible for over 10,000 supermarkets.

Instore Bakery Review

Harboring an instore bakery means thinking big—in terms of space (1,335 square feet); of margins (54.7%); and of labor (32.2% of sales).

Commitment to an instore bakery means allocating a significant one foot in 20 to this enterprise. This is an increasingly popular commitment, however, as the bakery becomes almost a given in new-store planning, as well as a popular option in many remodels. Upgrading of existing departments is also a priority. "We have plans to improve over half of our bakeries," says the bakery director of a major northeastern chain.

Over two-thirds of bakery departments run with between three and six (full-time equivalent) employees. The role of part-timers seems likely to increase further as efforts are made to hold down costs. Several operators feel that a review of the more labor-intensive products they offer is also in order.

Ringing up $2.50 out of every $100 at the checkout, bakery's share of sales was unchanged in 1983. (This reality contrasts with operators' perception that share actually increased and will do so again this year.) Actual weekly dollar sales increased to $4,000, with a third reporting grosses above that level. A spokesperson for a Virginia chain foresees "a gradual but steady rise in bakery sales ahead."

Labor costs in instore bakeries are not only being watched—they're being kept in place. The 32 cents out of every sales dollar allotted for this purpose is virtually unchanged since 1982. While gross margins average 54.7%, some operators report figures in excess of 60% and even 70%.

Bakeries need lots of space for both production and merchandising, as well as lots of labor. Both, of course, are well worth their costs and can accommodate an umbrella of generous gross margins. Weekly sales per square foot of $2.95 and per employee of $705 were off only a hair from 1982.

Size of Department

Square Feet of Space	
Mean	1,335 Square Feet
Median	1,000 Square Feet

Square Feet	
500 or less	11%
501-750	13
751-1000	26
1001-1500	18
1501-2000	11
2001-2500	13
Over 2500	8
Total	100%

Share of Total Store Space	
Mean	5.3%
Median	4.3%

Percent Share	
2.5 or less	9%
2.6-5.0	46
5.1-7.5	21
7.6-10.0	18
Over 10.0	6
Total	100%

Number of Employees

Full Time	3.3
Part Time	4.6
Full Time Equivalent*	5.6

FTE Employees	
1-2	5%
3-4	32
5-6	34
7-9	21
10 or more	8
Total	100%

*2 part time = 1 full time employee.

Average Weekly Sales

Mean	$4,000
Median	$3,200
$2,000 or less	14%
$2,001-$3,000	35
$3,001-$4,000	19
$4,001-$6,000	16
$6,001-$8,000	8
Over $8,000	8
Total	100%

Change in Sales

(1983 Vs. 1982)	
Higher	90%
Lower	10
No change	—
Total	100%

Share of Total Store Sales

Mean	2.5%
Median	2.3%

% of Total Sales	
0.1-1.4	19%
1.5-1.9	20
2.0-2.9	28
3.0-3.9	17
4.0-4.9	11
5.0 or more	5
Total	100%

Change in Share of Total Store Sales

	83 Vs. 82	84 Vs. 83*
Increase share	84%	83%
No change	13	14
Decrease share	3	3
Total	100%	100%

*Estimate.

How Much for Labor

Labor as a Percent of Instore Bakery Department Sales	
Mean	32.2%
Median	30.0%
21-25%	11%
26-30	37
31-35	29
36-40	18
41 or more	5
Total	100%

Gross Margins

Mean	54.7%
Median	53.0%
30-39%	6%
40-49	26
50-59	37
60-69	20
70 or more	11
Total	100%

Measures of Productivity

Average Weekly Sales Per Square Foot of Space	
Mean	$2.95
Under $2.50	34%
$2.51-$5.00	49
Over $5.00	17
Total	100%

Average Weekly Sales Per Employee*	
Mean	$705
Under $500	17%
$501-$750	37
$751-$1,000	37
Over $1,000	9
Total	100%

*Full time equivalent

Continued on page 14A

Service Deli Review

Behind every full-time deli employee stand two part timers, helping to shave labor costs as well as ham and roast beef.

Already a respectable 4% of total store sales, deli is expected by many to increase its share. While sales average $5,555 per week, almost one store in 10 surpasses the $10,000 watermark. Several expect that deli's bigger bite will be correlated to the addition of more hot entrees and meals that shoppers can take home and later reheat and serve.

With less need for extensive prep area than its sister bakery department, the service deli functions in an average 895 square feet of space, about 3.9% of the store total. A handful of departments measures over 2,000 feet.

As an aid to flexible scheduling to meet peak traffic times, as well as to control labor costs, two part-time workers supplement each full-time deli department employee. Many operators say they are fine-tuning their labor scheduling to optimize productivity.

Gross margins held steady last year at an average 40.0%, while the cost of labor as a percent of sales edged up a bit to 23.7%. The wide range of labor costs—from under 15% to over 30%—is attributable in part to differences in philosophy about how much prep work should be done in the department vis-a-vis using commissary-supplied foods or purchasing already prepared foods from outside suppliers.

Average Weekly Sales

Mean	$5,555
Median	$4,500

$2,000 or less	13%
$2,001-$3,000	13
$3,001-$4,000	20
$4,001-$5,000	10
$5,001-$6,000	11
6,001-$8,000	14
$8,001-$10,000	10
Over $10,000	9
Total	100%

Change in Dollar Sales

(1983 Vs. 1982)

Higher	73%
Lower	8
No change	19
Total	100%

Share of Total Store Sales

Mean	4.0%
Median	3.5%

% of Total Sales	
0.1-1.9	9%
2.0-2.9	26
3.0-3.9	26
4.0-4.9	21
5.0 or more	18
Total	100%

Change in Share of Total Store Sales

	83 Vs. 82	84 Vs. 83*
Increase share	72%	73%
No change	26	25
Decrease share	2	2
Total	100%	100%

*Estimate.

Size of Department

Square Feet of Space	
Mean	895 Square Feet
Median	750 Square Feet

Share of Total Store Space	
Mean	3.9%
Median	3.3%

Square Feet	
500 or less	38%
501-750	12
751-1000	21
1001-1500	13
1501-2000	11
Over 2000	4
Total	100%

Percent Share	
1.0-2.5	40%
2.6-5.0	42
5.1-7.5	8
Over 7.5	10
Total	100%

Number of Employees

Full Time	2.7
Part Time	5.2
Full Time Equivalent*	5.3

FTE Employees	
1-2	7%
3-4	40
5-6	26
7-9	20
10 or more	7
Total	100%

*2 part time = 1 full time employee.

Gross Margins

Mean	40.0%
Median	40.0%

Less than 30%	5%
30-34	21
35-39	22
40-44	31
45-49	12
50 or more	9
Total	100%

How Much for Labor

(Labor as a Percent of Service Deli Sales)

Mean	23.7%
Median	22.5%

10-15%	12%
16-20	24
21-25	30
26-30	24
Over 30	10
Total	100%

Service Deli Review

The well-tempered product mix is the surest proof of managerial acumen. As that mix adds more hot foods, the right equipment is a must.

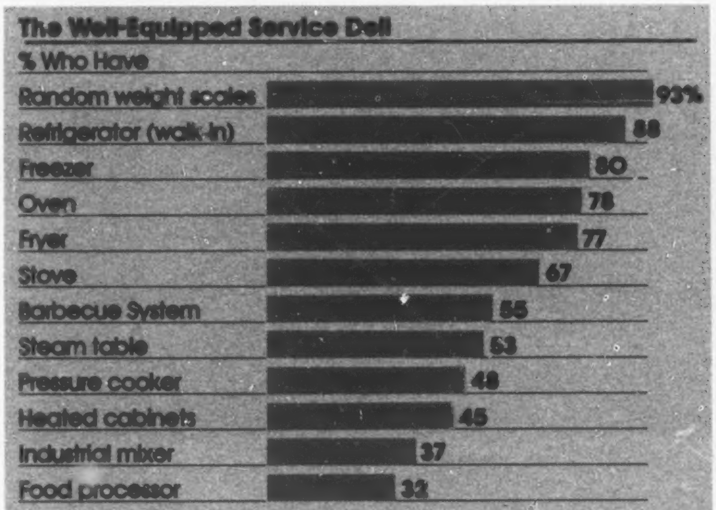
Increased attention to at least a limited selection of hot offerings—such as chicken and ribs—seems to be reflected in an increased incidence of fryers, heated cabinets and barbecue systems. Not reflected in this list of equipment is a new movement for deli departments to be responsible for the store's salad bar.

On either measurement of productivity, service deli appears to have registered increases in excess of any price increases. Still, many stores show performance far below the norms, which may be explained in part by policies on how much space and time is allocated to instore prep work.

While its 5.0% share of sales may seem modest, enthusiasm for offering pizza in the service deli is hotter than a pepperoni topping. Methods of preparation vary from instore, custom-made-to-customer specifications, to prepacked from outside suppliers. Chicken and ribs also seem able to excite both operator and shopper enthusiasm.

While it's reported that one shopper in four stops at the service deli to make a purchase, no one knows how many others pass it by because it looks too crowded. The size of the average sale is higher where high-ticket hot items are offered.

The Well-Equipped Service Deli



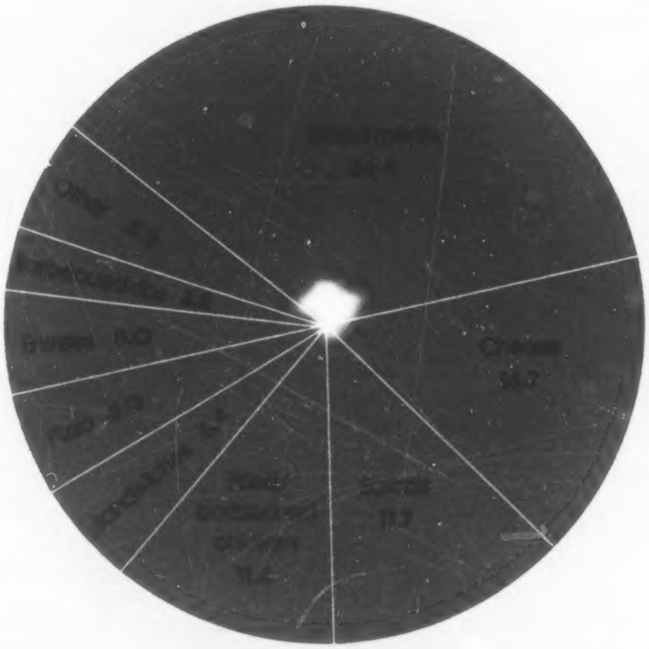
Measures of Productivity

Average Weekly Sales Per Square Foot of Space	
Mean	$6.21
Under $5.00	36%
$5.01-$10.00	43
$10.01-$20.00	19
Over $20.00	2
Total	100%

Average Weekly Sales Per Employee*	
Mean	$1,048
Under $500	6%
$501-$750	33
$751-$1,000	17
$1,001-$1,500	23
$1,501-$2,000	15
Over $2,000	6
Total	100%

*Full time equivalent employees.

Portioning Out the Service Deli Sales Dollar



How Customers Spend

Percent Who Shop the Deli	
Mean	24.8%
Median	24.0%

How Much They Spend	
Mean	$3.33
Median	$3.22
Under $2.00	15%
$2.01-$3.00	32
$3.01-$4.00	35
Over $4.00	18
Total	100%

Service Deli Review

A deli can set its own style by striking the right balance between scratch preparation and the judicious selection of outside suppliers.

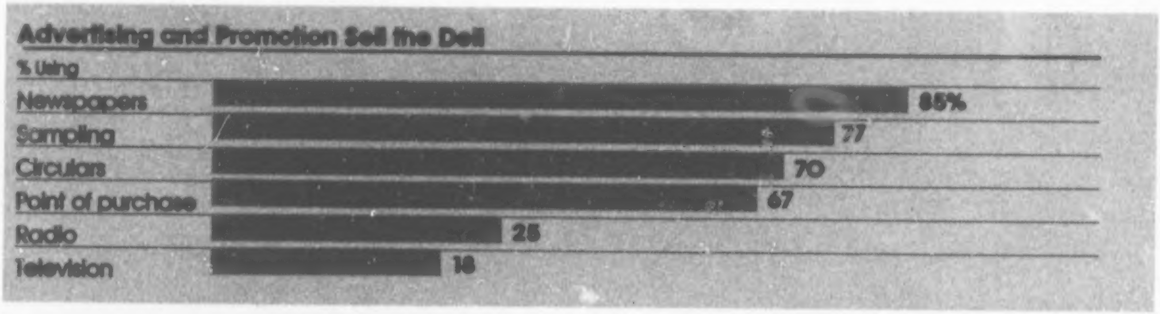
One taste is worth a thousand words of advertising, according to advocates of sampling. With so many suppliers offering instore sampling programs, this customer favorite is available to all. Newspapers dominate the traditional media choices.

Four out of 10 service delis have recently added pizza, a line they frequently support with point-of-sale merchandising. While cheese, salads and sliced meats are, of course, a staple of all departments, the assortment that is offered is constantly reedited. For sliced meats, that frequently means the initiation of a shaved (or sometimes called wafered) meats program.

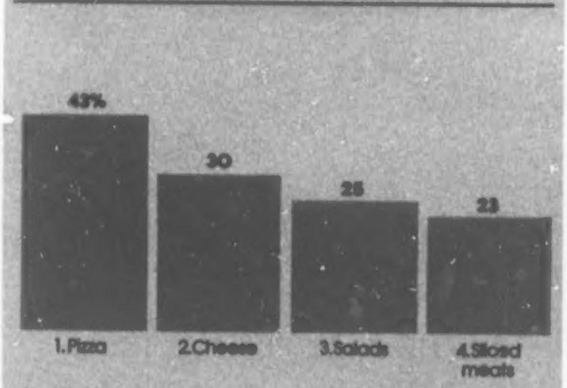
Salads constitute one of the battlegrounds on the issue of just how much instore preparation is practicable. Some stores opt for preparing a short list of "signature salads" themselves (often offered at premium prices) and then supplementing them with purchases from suppliers. Salad suppliers for their part increasingly offer such an in-depth selection that choices can be made that closely complement customer tastes in particular areas (particularly important for cole slaw and potato and macaroni salads, where shoppers are said to be "picky").

To a larger degree than is true for bakery, service deli is often chosen for the first spot in the traffic pattern. An attractive department immediately transmits a freshness-service-variety message to incoming shoppers.

Advertising and Promotion Sell the Deli

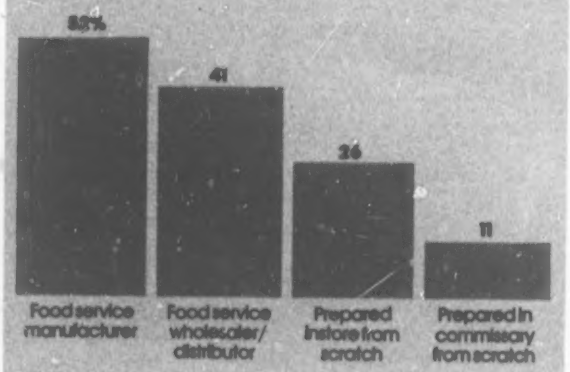


Deli Items/Lines Most Frequently Added or Increased



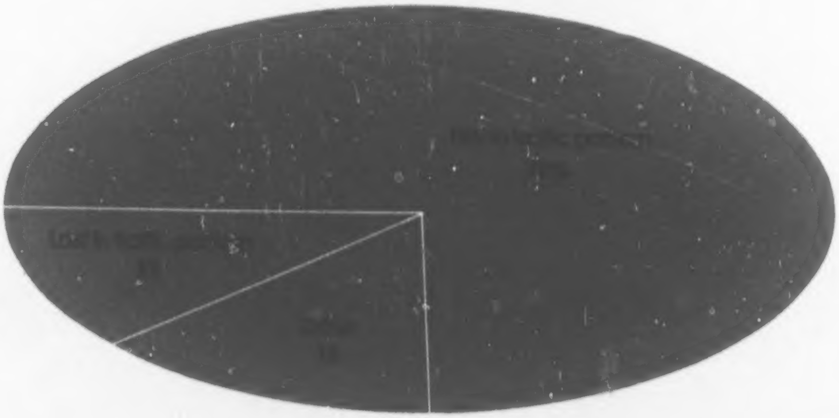
Also: Hot foods/entrees, soups, salad bars, Mexican specialties, fresh pasta.

Sources of Deli Salads



NOTE: Includes multiple answers.

Preferred Location for Deli



Instore Bakery Review

While customers may be fickle in their tastes as they're tempted by new choices, a high-quality bakery can build loyalty for both store and department.

Are croissants a fad—this year's PacMan—or will they achieve ultimate status as a staple? Who knows? Meanwhile their availability in supermarket bakeries is growing like a bin of yeast left in the sun. Part of their appeal is their adaptability to variations—from apple to zucchini. Bagels too are coming on strong, also in variations. When asked what they're dropping to make room for these new items, operators shrug, "Not much."

Only about half of bakeries are found at the beginning of the shopping pattern. Others are often side by side with the deli further on in the traffic flow.

In planning either new installations or remodels, bakery executives audition equipment for its "labor-saving" potential. In addition to production equipment, merchandising equipment is also a matter of concern, especially among those veering in the direction of more self-service.

Although a 5.1% share of sales may seem modest, the impact made by the bagels/croissants/muffins category in generating new product excitement is noteworthy. Some of the new fans of these baked treats appear to have switched over from doughnuts, which ebbed in market share compared to 1982. While customer appeal is the primary factor in modulating the product mix that is presented, labor intensiveness is also a large consideration.

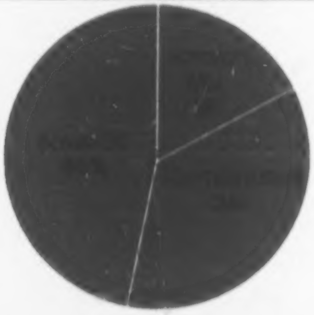
Bakeries are sometimes the orphan when it comes to allocation of promotional attention. Compared to their share of store space—or even store sales—they're often the forgotten department. Given the department's unique suitability for sampling, it's surprising that one store in three still eschews this proven traffic and sales builder.

Bakery Items/ Lines Most Frequently Added or Increased

1. Croissants	74%
2. Bagels	35

Also: Cakes, muffins, variety breads, sweet goods.

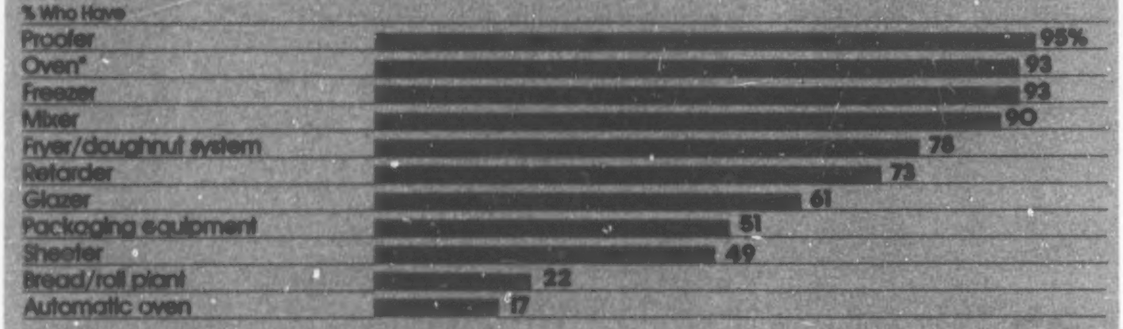
Major Method of Production % Using



Preferred Location for Bakery

First in traffic pattern	47%
Last in traffic pattern	33
Other	20
Total	100%

The Well-Equipped Instore Bakery



*Excludes automatic oven.

How Customers Spend

Percent Who Shop the Instore Bakery	
Mean	29.8%
Median	25.0%

How Much They Spend	
Mean	$1.35
Median	$1.20
Under $1.00	39%
$1.01-$1.50	31
$1.51-$2.00	19
Over $2.00	11
Total	100%

Portioning Out the Instore Bakery Dollar

Share of Sales	
White bread and rolls	28.5
Variety bread and rolls	14.3
Yeast-raised doughnuts	8.5
Sweet goods	7.8
Cookies	6.2
Layered cakes	6.0
Decorated cakes	5.7
Cake doughnuts	5.5
Pies	5.4
Bagels/croissants/muffins	5.1
Danish	4.3
Custom-decorated cakes	3.0

Advertising and Promotion Sell Instore Bakery

% Using	
Newspapers	80%
Sampling	66
Point-of-purchase	61
Circulars	59
Radio	19
Television	9

Instore Bakery Review

As the self-service concept asserts itself in bakery, it's really just a reconfirmation of what's drawn shoppers to supermarkets for over five decades.

While departments can be classified by their primary method of production, most are flexible in fitting the most efficient method to each of their product lines. Several operators say they are reevaluating their methods of preparation and, for example, testing the performance of bakeoff and/or mixes for some products they currently prepare from scratch.

While four sales dollars in 10 are accounted for by service, slippage below the current level seems inevitable as operators experiment with self-service merchandising and customers for their part react enthusiastically. In some areas, of course, the borders of experimentation are drawn by local health codes. But in areas where roll bins are complemented by self-service racks offering sweet goods, customer acceptance has been strong. Given the eye and nose appeal of fresh-baked merchandise, the term "impulse purchase" has a sweeter meaning.

Methods of Preparation

	Bake-Off	Mix	Scratch
White bread and rolls	72%	35%	24%
Variety bread and rolls	72	38	24
Yeast-raised doughnuts	50	48	15
Cake doughnuts	24	75	12
Sweet goods	70	35	15
Cookies	72	22	30
Pies	90	5	12
Layered cakes	40	65	20

NOTE: Includes multiple answers.

Who Supplies Instore Bakeries

	Bakery Distributor/ Supplier	Grocery Wholesaler	Ingredients Manufacturer	Wholesale Baker
Bake-Off	48%	52%	19%	8%
Mix	47	37	37	4
Scratch	73	32	23	7
Finished goods	40	60	8	15

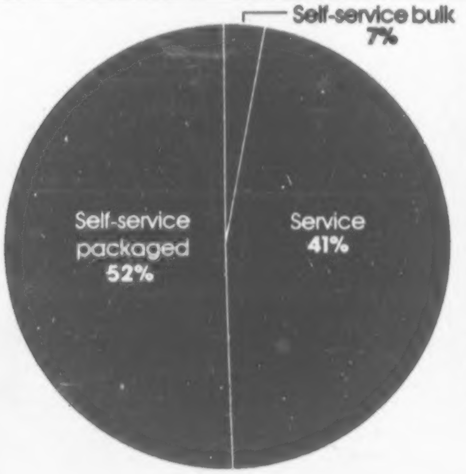
NOTE: Includes multiple answers.

Trends in Service

Direction Executives Expect Their Bakeries to Move	
Toward more self-service	49%
Toward more service	22
No change	29

Service Vs. Self-Service

(% of Instore Bakery Sales)



Self-Service Equipment Used

% Using	
Display tables for packaged self-service	92%
Self-service racks (or shelves) without doors	56
Self-service racks with sliding glass doors	5
Free-standing self-service racks (on wheels)	26
Roll bins with tongs for self-service	22

weak sales and the 6.2 percent loss rate was slightly higher than the 5.1 percent loss recorded in the month-earlier period. The action was found among hair setting needs and hair dressing needs, where new line extensions and mousse dressings caused expanded category unit sales volume. Home permanent kits (+6.7 percent) came back into the winner's circle and both hair sprays (+11.1 percent) and hair coloring items (+5.4 percent) continued in strong demand. The entire product group moved ahead 1.9 percent, as compared with a gain of 6.3 percent for the March reporting period.

Brushing up

Showing improved sales activity vis-à-vis the preceding period was oral hygiene, where the sales gain moved from 1.6 percent in March to 4.8 percent in April. This increase was largely due to sales vitality in the toothpaste and powder category, which racked up an increase of 7.4 percent. Denture cleaners (−7.0 percent) remain a soft spot in the oral hygiene sector and mouthwash sales were 0.7 percent in arrears a year ago. Gains in the neighborhood of four percent were found among breath fresheners, denture adhesives and toothbrushes.

There were some trouble spots among proprietary remedy categories; loss rates were found among nine categories as compared with gains in only four. In four categories, the unit volume declines were only modest retrenchments: 0.5 percent for internal analgesics, 0.4 percent for appetite suppressants, 1.9 percent for antacids and 2.3 percent for nasal spray-drops-inhalers. The 14.4 percent loss for proprietary tranquilizers does not translate into many sales dollars in this category which is fading out of sight. Of more serious consequence was a loss of 9.2 percent for external analgesics in contrast with the 7.6 percent gain in the March period. Among cold remedy categories, only cold tablets registered a four-week gain (+11.0 percent). Moving downside were chest rubs (−5.5 percent), cough remedies (−3.8 percent) and nasal sprays-drops-inhalers (−2.3 percent). The laxative and stool softener category recorded a 3.0 percent loss. The bright spots in this product group were found among eye care products (+18.3 percent), which are continually enjoying double-digit sales gains, and sleeping aids (+13.7 percent), running strong for a number of consecutive months. Vitamins (+3.4 percent) slowed down on their upward surge rate.

Razor's edge

One of the reasons for a unit sales decline among shaving creams (−3.6 percent) may have been the aftermath of a two-for-one promotion for Edge early in the year, which took some shavers out of the market until supplies were used up. Unit sales volume of razor blades tended downward 4.5 percent and these two category losses were not offset by gains of 10.1 percent, 2.1 percent and 2.0 percent for after shave lotions, razors and blades and pre-shave lotions, respectively. Therefore, the product group ended up with a loss rate of 3.2 percent—higher than the 0.6 percent decline during the preceding period.

For the most part, sales of skin care aids show plusses, whether looked upon for 52 weeks, 12 weeks or four weeks. The only negative trends among the five categories in this product group are −1.0 percent for annual unit volume of suntan lotion-suntan oil and a loss of 2.7 percent for four-week volume of facial preparations. Recovering strongly as the peak season commenced were the suntan products, which recorded a 19.6 percent increase. A minimal 0.4 percent gain was found among lip care products. Cosmetic and medicated skin aids showed a four-week gain of 5.9 percent versus plus 2.1 percent in March. However, the reverse direction was found in the case of hand and body creams and lotions, where the 20.8 percent gain rate seen in March was followed by growth of only 3.9 percent in the April reporting period.

Perhaps it was time for health and beauty aids to slow down and catch their breath before moving solidly upward again. Unusual weather patterns in many sections of the country as spring unfolded, may help to account for weakness in some categories. ■

SUPERMARKET BUSINESS

$3.50
PER COPY

VOLUME 39 NUMBER 8
AUGUST 1984

Breakthrough in random-weight automation

200407 0189
4.88 lb
$3.
NET WT. CT
UNIT PRIC
$18.98
TOTAL PRICE
FILET MIGNON
KEEP REFRIGERATED

SUPERMARKET BUSINESS

VOLUME 39
NUMBER 8
AUGUST 1984

PAGE 15

BREAKTHROUGH IN RANDOM-WEIGHT AUTOMATION

After years of lots of talk and little action, there may be a real breakthrough in meat automation. A central instore computer at FoodaRama Shop-Rite, in New Jersey, not only controls fresh meat, but also deli, fresh-fish, service meat and bulk foods.

PAGE 21

TRAY-READY MEAT TRIMS COSTS, BEEFS UP PROFITS, USERS SAY

Meat packers have been able to go a step beyond, technologically speaking, for some time. It hasn't been until recently, though, that they felt that the time was right. Now, a few suppliers have been working with selected supermarkets in successful tray-ready meat programs.

PAGE 27

CAN THE OWNER/WORKERS MAKE IT?

The people who run the cooperatively owned O&O Markets in Pennsylvania have had to learn how to run supermarkets that they once worked in. Now, they must learn how to deal with each other as *both* owners and workers.

PAGE 35

SUPER 1 BREAKS WITH BROOKSHIRE TRADITION

Brookshire's has long been an adherent of conventional supermarkets. But it's made a radical departure from form with its new super warehouse store, Super 1 Foods, in Alexandria, La. It even sells alcohol and is open on Sundays.

PAGE 48

CHECKOUT: PLEASE SQUEEZE THE PRODUCE

Rouse's, a four-store chain in Louisiana, has created a lot of better, and better-informed, consumers with its popular seminar series. The latest one was on produce.

200407 0189
4.88 lb
NET WT/CT
$3
UNIT PRI
18.98
TOTAL PRICE
FILET MIGNON
KEEP REFRIGERATED

OTHER FEATURES AND DEPARTMENTS

EDITOR'S VIEW PAGE 5
TRADESCAN PAGE 7
PUBLISHER'S NOTE PAGE 10
CALENDAR PAGE 25
PRODUCE PAGE 39
NEW PRODUCTS PAGE 44

FACING PAGE 24

NONFOODS BUSINESS

In selected editions only

PAGE 1B

GETTING FIRM WITH SOFT GOODS

The soft goods category at many supermarkets tends to be somewhat lackluster. Hosiery and underwear account for many of the sales, though some stores feature a broad variety of other items. Manufacturers, along with a few innovative retailers, are working on programs to pump up good—but not spectacular—sales in this potentially lucrative category.

ALSO IN NONFOODS BUSINESS

SAMI PAGE 5B
NEW PRODUCTS PAGE 11B

PUBLISHER:
Jeffrey A. Schaeffer
EDITOR:
Kenneth P. Partch
SENIOR EDITOR:
Douglas T. Harris, Jr.
MANAGING EDITOR:
Robert J. Hughes
ASSISTANT EDITOR:
Marianne Skoczek
ART DEPARTMENT:
Karen Sockler
CONTRIBUTING EDITORS:
Meat: **Kenneth Johnson,**
John Francis
Produce: **Barney H. McClure**
Technology: **Richard Shulman**
Store Planning: **David Rogers**
Washington: **S.S. Filippone**
CIRCULATION MANAGER:
Virginia Bucci Posner
PRODUCTION MANAGER:
Daniel Coakley
DIRECTOR OF PUBLICATION RESOURCES AND RESEARCH:
Norman Bussel
(914) 528-1369

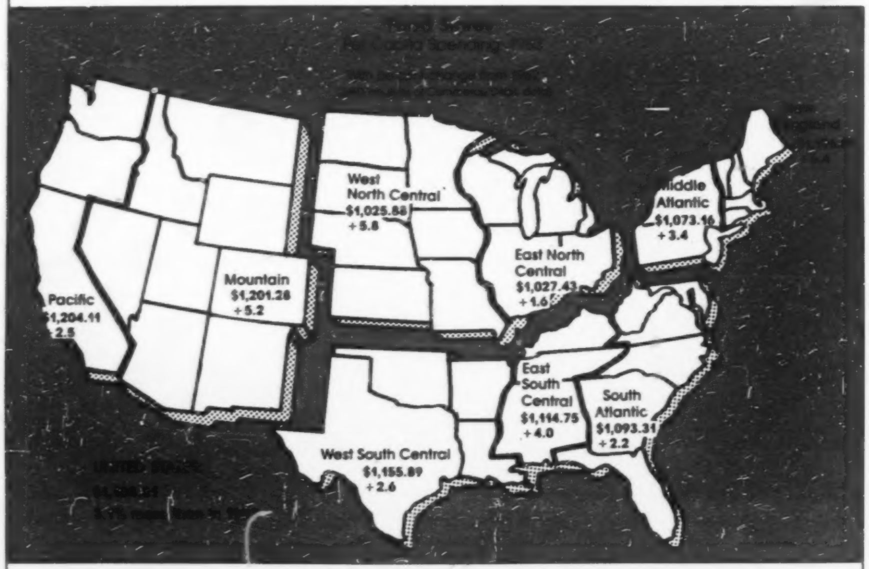
ADVERTISING SALES:
EAST:
NORTHEAST REGIONAL SALES MANAGER:
Jack Driscoll
SOUTHEAST REGIONAL SALES MANAGER:
Al Greenberger
EASTERN REGION ACCOUNTS MANAGER:
Jerry Whitman
Fieldmark Media, Inc.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
CHICAGO:
MIDWEST DIVISION SALES MANAGER:
Dave Wishard
MIDWEST REGIONAL SALES MANAGER:
Allan Preiss
Fieldmark Media, Inc.
3530 W. Peterson Ave.
Chicago, Ill. 60659
312-583-1318
WEST COAST:
Sue Marritt
Fieldmark Media, Inc.
15910 Ventura Blvd., Suite 800
Encino, Calif. 91436
818-783-5888

CORPORATE STAFF
FIELDMARK MEDIA, INC.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
212-354-5169
PRESIDENT:
Jeffrey A. Schaeffer
ADMINISTRATIVE MANAGER:
Catherine Cahill
BUSINESS MANAGER:
Eric Braunstein
CORPORATE DIRECTOR SALES AND MARKETING:
Thomas M. Rigney
AFFILIATED PUBLICATION:
Milling & Baking News
Sosland Publishing Co.
Kansas City, Mo.
COVER PHOTOGRAPHY:
Jerry and Nancy Palubniak

SUPERMARKET BUSINESS Magazine (ISSN 0196-5700) is published monthly by Fieldmark Media, Inc., 25 W. 43rd St., New York, N.Y. 10036. Telephone: (212) 354-5169. Circulated free of charge to grocery retailers and wholesalers. U.S. subscriptions $32 per year; Canada, $37 per year. Foreign subscriptions $48. Single copies $3.50 except Consumer Expenditures Study (September issue) $15 per copy. (Discount prices available on multiple purchases.) Copyright © 1984 Fieldmark Media, Inc. All rights reserved. Second class postage paid at New York, N.Y., and additional mailing offices.

BPA ABP American Business Press Inc

TRADESCAN


West North Central $1,025.88 +5.8
Middle Atlantic $1,073.16 +3.4
East North Central $1,027.43 +1.6
Mountain $1,201.28 +5.2
Pacific $1,204.11 +2.5
East South Central $1,114.75 +4.0
South Atlantic $1,093.31 +2.2
West South Central $1,155.89 +2.6

Consumer Spending Was Up in 1983

FAIR LAWN, N.J.—Last year, consumers spent a national average of $1,108.81 per capita in supermarkets and other retail food outlets, a 3.1 percent gain over 1982 expenditures, which amounts to $33 per person.

These and related figures are included in "Food Stores and Restaurants: Survey of 1983 Performance," recently published by the American Institute of Food Distribution (AIFD). The study details per capita food store spending for the country's nine Census regional divisions. Included in the data are expenditures for non-food items purchased from supermarkets.

Nationally, food store spending was highest in the West (see map), which witnessed an annual food store spending of $1,204 per capita. Lowest per capita spending occurred in the North Central region, where food store expenditures averaged $1,027—$177 less than in the West and an $82 difference from the national average.

Overall, neither the West nor the Sunbelt regions—both of which are noted for fast-paced growth in recent years—logged the greatest gains in food store spending. The Mountain, West North Central and New England areas recorded increases of over five percent per capita over 1982, compared to the smallest increase—1.6 percent—posted by the East North Central region.

In terms of physical tonnage, the Northeastern states logged the highest real gains for food product retailers, with an estimated increase of 3.2 percent. An above-average increase in tonnage of three percent was recorded for the West, but increases in the South and North Central regions were considerably lower—1.7 and 1.5 percent, respectively.

Last year's per capita and physical tonnage increases reflect the pattern of 1982, which showed a national store tonnage increase of a mere 0.1 percent, with nominal decreases in tonnage posted for the South and North Central regions.

AIFD vice president, Frank Panyko, cautions the food industry not to be misled by unanalyzed statistics concerning recent growth in the Sunbelt. Despite vastly increased population percentage growth rates, other factors, such as base population, number of square miles to be considered in each region and per capita income, must also be taken into account. Grocery store sales in the Northeast total $275 per square mile, compared to $71 in the North Central region, $90 in the South and a mere $26 in the West.

Further information regarding "Food Stores and Restaurants" is available from AIFD at: 28-12 Broadway, Fair Lawn, N.J. 07410. The study is priced at $40 for association members and $85 for non-members. ■

Florida Wholesaler Opens Child Care Center

OCALA, Fla.—This summer, Certified Grocers of Florida will open its newest facility, but it won't be for distribution. In fact, it won't have a thing to do with groceries. Instead, it will be a child development center devoted exclusively to the care of the children of Certified's employees. It will be able to accommodate up to 100 children, from infancy to age five.

Child care rates here will be about one-third lower than commercial centers, but the program offered won't skimp on anything. The center will be staffed only by trained professionals, and it will include a large indoor multi-purpose room, a screened patio for infants and toddlers, a playground, a covered patio for preschoolers and kindergarteners, restrooms, kitchen and pantry facilities, conference and isolation rooms.

Rates will be about a third less.

Jill Browder, the center's director, holds a degree in elementary education, as well as a masters and an education specialist degree. "The center will not just be babysitting," she explains. "It will provide a complete childhood development program. One curriculum will be geared for infants and toddlers, the other for preschoolers and kindergarteners. What's unique about this center is the high level of parental involvement that we'll have, which is possible because this is an on-site center. For instance, parents will be able to visit their children during lunch hour."

A few other corporations have similar arrangements available to employees, but this is the first known among food wholesalers. Jill Browder reports that she has received a number of inquires from other companies interested in setting up similar centers. She welcomes anyone interested in touring the facilities to contact her once the center opens. ■

Brochure Helps Employees Make Proper Alcohol Sales

OCALA, Fla.—As both social and legal intolerance of underage drinking and drunk driving continues to mount, supermarket retailers are forced to be increasingly vigilant in monitoring their liquor sales. To aid store employees in determining how and when to sell alcohol, the Retail Grocers Assn. of Florida (RGAF) recently distributed a practical sales guide, "When to Make The Sale," to its members.

Under current Florida state law, the drinking age is 19 for all alcoholic beverages; supermarkets are permitted to sell beer and wine. (Liquors must be sold at separate establishments.) A recently proposed bill that would hold supermarkets responsible for damages incurred by persons acting under the influence of alcohol purchased from them failed in committee. But stores are still open to individual damage suits that can be costly and drawn out. The brochure's guidelines are designed to minimize the possibility of lawsuits.

"When to Make The Sale" is based on a program initially created by the Southland Corp. for use by its 7-Eleven convenience store employees. It should help to familiarize employees with state alcohol laws, their practice and penalties for non-practice, and to help them determine the correct identification necessary to purchase wine and beer.

Says RGAF chair and president of Sunshine-Jr. Stores, Lana Jane Lewis-Brent, "We will not knowingly or willingly sell alcoholic beverages to people under the drinking age, and we want our customers and our employees to know and understand this." Approximately 75 percent of Florida's supermarket retailers are RGAF members. ■

Pay Bills As You Shop

NEW YORK—Supermarket customers will soon be able to pay their phone bills electronically while shopping, thanks to an agreement worked out recently between New York Telephone and Datek-InstaCard Corporation (DICC).

This is said to be the first such cooperative arrangement linking retailers and a utility. The plan, which is now being tested, enables customers to present their phone bill and payment in the form of cash, check, banking card, money order or Bell System Gift Certificate to a supermarket's courtesy clerk, who will immediately enter the payment information into Datek-InstaCard's computer. The payee's account will be credited with the payment within 24 hours if made on a weekday or on the next business-day if made on a weekend or holiday, according to the president of DICC, a shared electronic banking network.

Wayne Chelikowsky said the pilot program for this bill-paying system is underway in the Buffalo, N.Y. area. By the end of this year he expects regular installations to be in place in "a large number of drug and supermarket outlets in the upstate New York area."

He added that the system will provide great convenience to the nearly 50 percent of N.Y. Telephone customers who pay their bills in person. And he did mean *bills:* With the break-up of AT&T, he pointed out, many people now are receiving separate accounts for local and long distance calls, and both can be handled by this electronic paying system. ■

SAMI UPDATE:

May Was a Merry Month for HBA Sales

The upward trend for HBA products continued in May. Strongest category as a whole was skin care aids.

BY ALAN MILLER

Following a slight decline in the unit growth rate in April, sales for the period ending on May 25 ran 3.9 percent ahead of the corresponding period a year ago, which in turn was 3.4 percent ahead of the 1983 28-day gain over 1982. During the preceding month, the gain in all HBA categories combined was 2.2 percent.

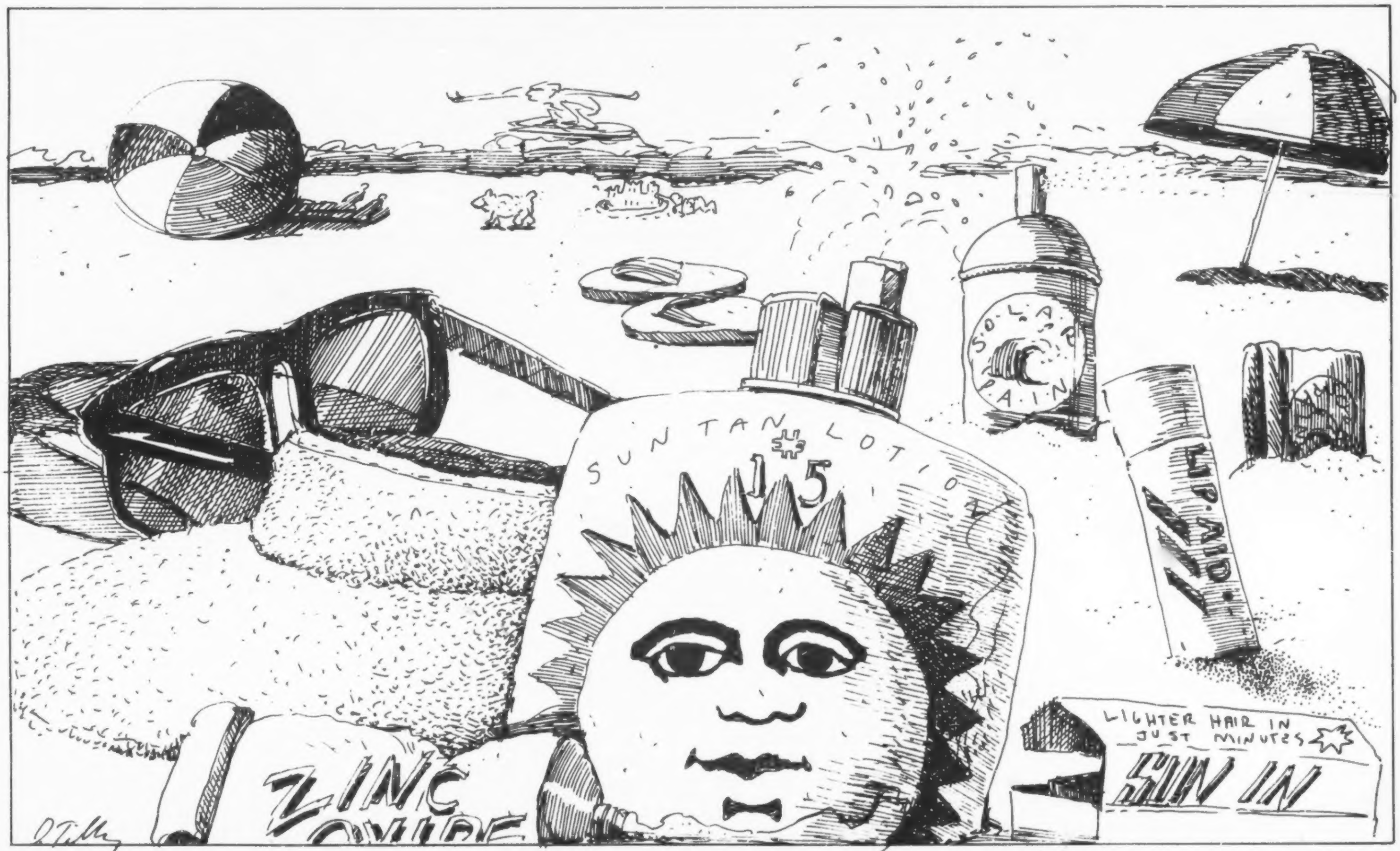
Of the eight product groups tracked by SAMI, there were four-week gains in six and losses of less than one percent in two: first aid and shaving needs. The most significant level of growth among product groups was a gain of 8.4 percent for skin care aids.

The gain/loss tally at the product category level was nearly identical with the ratio exhibited in the preceding four-week period. There were 28 categories with unit volume increases, 21 with declines and a no change situation for laxatives and stool softeners. The highest category losses were 13.7 percent for cream deodorants and 13.5 percent for feminine hygiene deodorants. Hair sets showed growth of 386 percent as a result of the proliferation of mousse items. These products had been formerly placed in the hair dressing needs category, but as of the current period were moved to hair setting needs as a more appropriate environment for the new entries.

SAMI tracks the volume of four HBA categories among baby needs and, as was true in the April reporting period, there were losses among baby powders (−8.3 percent) and infant clothes (−7.1 percent). These were offset by gains of 5.2 percent for nursing supplies and 2.4 percent for baby oils, creams & lotions for a net gain of 0.1 percent in the unit volume of this product group.

There were more deodorant categories with four-week unit volume losses than gains. The three categories that kept the product group in the black for the period were foot deodorants and athlete's foot remedies (+14.8 percent), stick deodorants & pads (+11.1 percent) and roll-on deodorants (+8.3 percent). The highest loss rates were found among the aforementioned cream deo-

Continued on page 8B



SAMI

Continued from page 5B

dorant and feminine hygiene deodorant categories and, in addition, among deodorant and talcum powders (−6.8 percent), spray deodorants (−2.5 percent) and feminine douches (−2.0 percent). Even so, unit volume of all deodorant categories combined was 3.8 percent ahead, but this gain trailed the growth of 10 percent that occurred in April.

In April, first aid antiseptics showed a decline and first aid products registered a plus. In May, the categories changed places in this respect, and there was a 3.2 percent decline for first aid products as compared with an 8.3 percent gain for antiseptics. The total for the two categories combined fell 0.7 percent in the current period.

Of the seven categories in the hair care needs product group, there were gains in four and losses in three. The declines were all modest: −3.4 percent for home permanent kits, −2.7 percent for hair coloring and −2.3 percent for hair conditioning rinses. There was an increase of 4.7 percent in the high volume shampoo category; this contrasted with a 2.1 percent loss rate in the preceding period. Hair sprays continued to record double-digit rates of gain, the latest a 10.0 percent jump. Hair dressing needs, from which the mousse products were moved, showed a gain of 5.5 percent. The product group as a whole advanced 6.2 percent, representing a four-week gain of more than 2.5 million.

Whoa, flossie

An accelerating growth rate is found among oral hygiene products, and the product group as a whole advanced 6.7 percent. Volume in the important toothpaste category rose 8.9 percent. This rate of gain is expected to gather momentum as soon as pump entries follow in the footsteps of Minnetonka's Check-Up entry. Breath fresheners advanced 14.6 percent on a small volume base and toothbrushes registered a strong 7.4 percent upswing. The solitary loss in this oral hygiene group was a 3.1 percent drop among denture cleaners. This category has shown continuing sales weakness and is the only oral hygiene category with a 52-week loss in food stores.

Proprietary remedies returned to the plus column. The 2.4 percent advance for May compared with a decline of 0.4 percent in April. Eye care products continue their upward surge and the most recent growth rate stood at 19.4 percent. The 13.5 percent gain for cold tablets translates to more units than the 15.9 percent hike for sleeping aids because of the difference in the size of the two categories. A 10.9 percent loss for tranquilizers has little significance since there are no major brands left in this shrinking category. Cough remedies continue heading downward, although the loss rate of 2.0 percent represents an improvement over the 4.1 percent loss seen on a 52-week basis or −3.6 percent for the 12-week reporting period. The largest volume category in this product group, internal analgesics, showed growth of less than one percent.

Shaving needs nicked

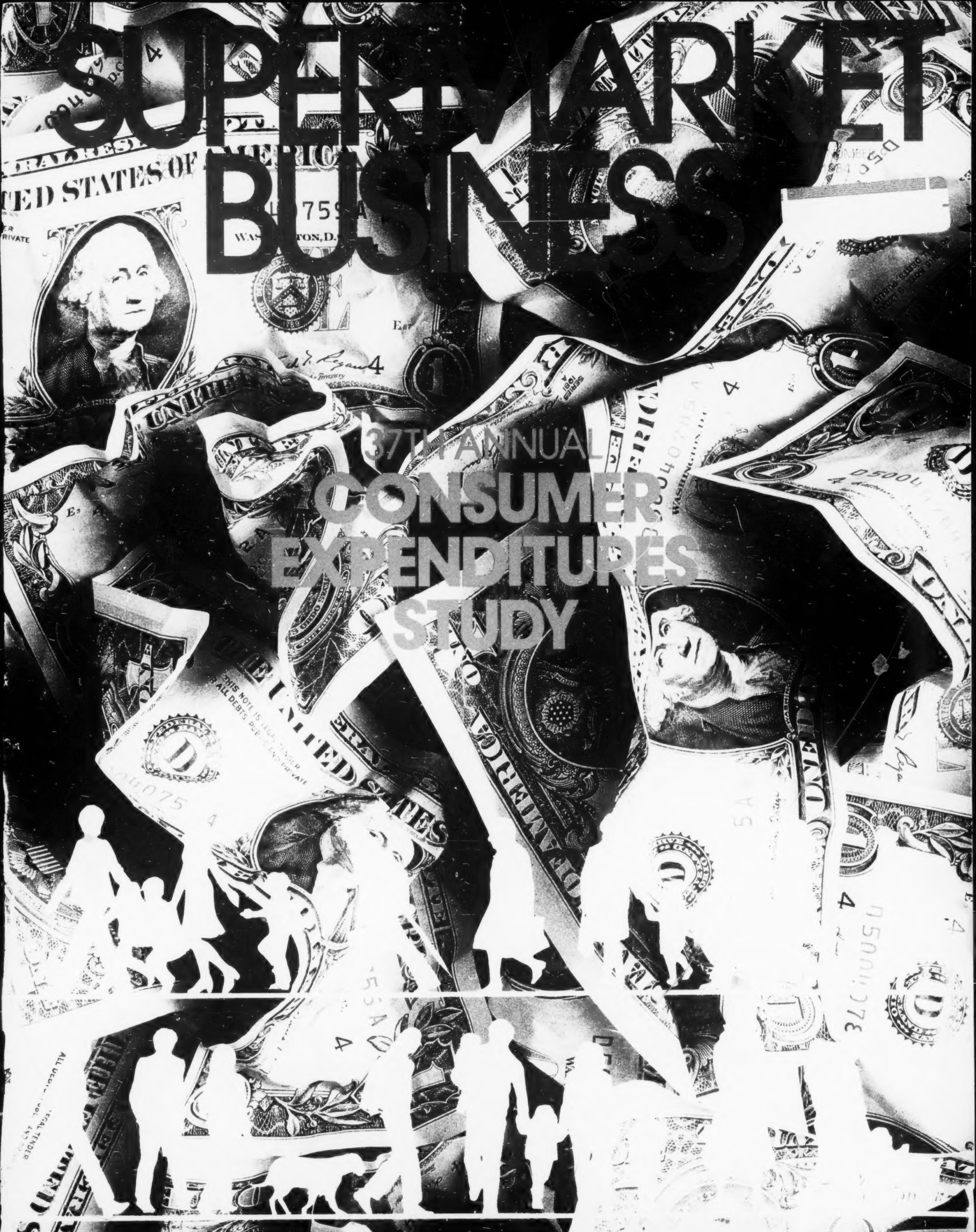
Four out of the five shaving needs categories exhibited relatively modest set-backs in four-week unit volume and a gain of 10.5 percent for after-shave lotions was not quite enough to pull the product group out of red ink. However, the loss of 0.1 percent for May represents an improvement over the decline of 3.2 percent for shaving needs in April.

The product group with the greatest percentage increase was skin care aids. The only category with a four-week negative trend was facial preparations, down 7.2 percent. Major increases were seen among suntan lotion/suntan oil products (+40.1 percent), particularly sunscreens, and lip care products, which moved up 23.7 percent. There was a gain of 4.7 percent in the highest volume category in this product group—hand & body creams & lotions—and a moderate move upward of 2.9 percent in the case of cosmetic and medicated skin aids.

Thus far in 1984, health and beauty aids are exhibiting growth upon the growth trends that were in evidence a year ago. The importance of new products will help to determine the rate of growth during the remainder of the year. ■

HEALTH & BEAUTY AIDS:
SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO		
	4 WEEKS ENDING 3/30/84	4 WEEKS ENDING 4/27/84	4 WEEKS ENDING 5/25/84
BABY NEEDS	**+ 1.2**	**− 0.1%**	**+ 0.1%**
Baby Powders	− 6.1	− 5.5	− 8.3
Baby Oils, Creams & Lotions	+ 4.4	+ 1.3	− 2.4
Infant Clothes	− 9.7	− 5.3	− 7.1
Nursing Supplies	+ 5.2	+ 3.8	+ 5.2
DEODORANTS	**+13.4%**	**+10.0%**	**+ 3.8%**
Sprays	+ 8.5	+ 8.5	− 2.5
Roll-On	+17.8	+12.1	+ 8.3
Stick Deodorants & Pads	+21.3	+15.1	+11.1
Creams	−11.6	−10.0	−13.7
Deodorants & Talcum Powders	+ 2.6	− 7.0	− 6.8
Feminine Hygiene Deodorants	− 6.1	− 7.6	−13.5
Foot Deodorants & Athlete's Foot Remedies	+ 8.5	+ 5.2	+14.8
Feminine Douches	+ 8.0	+ 8.6	− 2.0
FIRST AID	**+ 2.6%**	**+ 2.3%**	**− 0.7%**
Antiseptics	+ 8.8	− 1.0	+ 8.3
First Aid Products	+ 1.2	+ 3.2	− 3.2
HAIR CARE NEEDS	**+ 6.3%**	**+ 1.9%**	**+ 6.2%**
Shampoos	+ 5.4	− 2.1	+ 4.7
Hair Sprays	+12.0	+11.1	+10.0
Hair Conditioning Rinses	− 5.1	− 6.2	− 2.3
Hair Setting Needs	+32.8	+48.8	+386.2
Home Permanent Kits	− 5.2	+ 6.7	− 3.4
Hair Coloring	+ 5.2	+ 5.4	− 2.7
Hair Dressing Needs	+36.1	+29.2	+ 5.5
ORAL HYGIENE	**+ 1.6%**	**+ 4.8%**	**+ 6.7%**
Toothpastes & Powders	+ 0.9	+ 7.4	+ 8.9
Mouthwashes	+ 1.3	− 0.7	+ 1.0
Breath Fresheners	− 0.8	+ 3.5	+14.6
Denture Cleaners	− 6.5	− 7.0	− 3.1
Denture Adhesives	+ 3.8	+ 4.4	+ 0.6
Toothbrushes	+ 8.9	+ 3.5	+ 7.4
PROPRIETARY REMEDIES	**+ 1.9%**	**− 0.4%**	**+ 2.4%**
Antacids	+ 0.2	− 1.9	+ 2.7
Internal Analgesics	+ 0.8	− 0.5	+ 0.7
External Analgesics	+ 7.6	− 9.2	+ 4.4
Cold Tablets	+12.7	+11.0	+13.5
Nasal Sprays—Drops—Inhalers	+ 3.4	− 2.3	− 1.8
Chest Rubs	+ 0.7	− 5.5	+ 0.1
Cough Remedies	− 4.3	− 3.8	− 2.0
Laxatives	+ 1.8	− 3.0	± 0.0
Sleeping Aids	+19.9	+13.7	+15.9
Tranquilizers	−16.6	−14.4	−10.9
Vitamins	+ 8.2	+ 3.4	− 3.0
Eye Care Products	+20.5	+18.3	+19.4
Appetite Suppressants	+ 1.1	+ 0.4	+ 3.8
SHAVING NEEDS	**− 0.6%**	**− 3.2%**	**+ 0.1%**
Shaving Creams	+ 8.0	− 3.6	− 2.8
Pre-Shave Lotions	+ 4.8	+ 2.0	− 1.7
After-Shave Lotions	+ 7.9	+10.1	+10.5
Razor Blades	− 4.5	− 4.5	− 0.1
Razors & Blades	+18.8	+ 2.1	− 1.3
SKIN CARE AIDS	**+ 8.4%**	**+ 4.8%**	**+ 8.4%**
Hand & Body Creams & Lotions	+20.8	+ 3.9	+ 4.7
Facial Preparations	+ 0.3	− 2.7	− 7.2
Lip Care Products	+26.5	+ 0.4	+23.7
Suntan Lotions & Oils	−22.5	+19.6	+40.1
Cosmetic & Medicated Skin Aids	+21.1	+ 5.9	+ 2.9
TOTAL ALL CATEGORIES	**+ 3.8%**	**+ 2.2%**	**+ 3.9%**



SUPERMARKET BUSINESS

37TH ANNUAL

CONSUMER EXPENDITURES STUDY

SUPERMARKET BUSINESS

VOLUME 39
NUMBER 9
SEPTEMBER 1984

PUBLISHER:
Jeffrey A. Schaeffer
EDITOR:
Kenneth P. Partch
SENIOR EDITOR:
Douglas T. Harris, Jr.
MANAGING EDITOR:
Robert J. Hughes
ASSISTANT EDITOR:
Marianne Skoczek
ART DEPARTMENT:
Karen Sockler
CONTRIBUTING EDITORS:
Meat: **Kenneth Johnson,**
John Francis
Produce: **Barney H. McClure**
Technology: **Richard Shulman**
Store Planning: **David Rogers**
Washington: **S.S. Filippone**
CIRCULATION MANAGER:
Virginia Bucci Posner
PRODUCTION MANAGER:
Daniel Coakley
DIRECTOR OF PUBLICATION
RESOURCES AND RESEARCH:
Norman Bussel
(914) 528-1369

ADVERTISING SALES:

EAST:

SOUTHEAST REGIONAL SALES
MANAGER:
Peter Beyrent
EASTERN REGION ACCOUNTS
MANAGER:
Jerry Whitman
Fieldmark Media, Inc.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
CHICAGO:
MIDWEST DIVISION SALES MANAGER:
Dave Wishard
Fieldmark Media, Inc.
3530 W. Peterson Ave.
Chicago, Ill. 60659
312-583-1318
WEST COAST:
Sue Marritt
Fieldmark Media, Inc.
16133 Ventura Blvd., Suite 700
Encino, Calif. 91436
818-783-5888

FIELDMARK MEDIA, INC.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
212-354-5169
PRESIDENT:
Jeffrey A. Schaeffer
VICE PRESIDENT, ADMINISTRATION:
Catherine Cahill
VICE PRESIDENT, EDITORIAL:
Kenneth P. Partch
VICE PRESIDENT, FINANCE:
Eric Braunstein
VICE PRESIDENT, SALES:
Thomas M. Rigney
AFFILIATED PUBLICATION:
Milling & Baking News
Kansas City, Mo.
COVER PHOTOGRAPHY:
Jerry and Nancy Palubniak

SUPERMARKET BUSINESS Magazine (ISSN 0196-5700) is published monthly by Fieldmark Media, Inc., 25 W. 43rd St., New York, N.Y. 10036. Telephone: (212) 354-5169. Circulated free of charge to grocery retailers and wholesalers. U.S. subscriptions $32 per year; Canada, $37 per year. Foreign subscriptions $48. Single copies $3.50 except Consumer Expenditures Study (September issue) $20 per copy. (Discount prices available or multiple purchases.) Copyright © 1984 Fieldmark Media, Inc. All rights reserved. Second class postage paid at New York, N.Y., and additional mailing offices.

BPA ABP American Business Press Inc

37TH ANNUAL

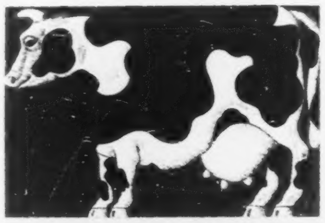
CONSUMER EXPENDITURES STUDY

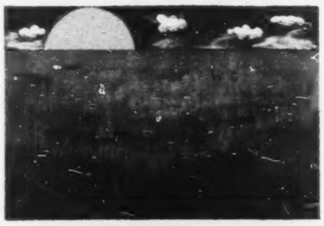
It was a good year for the supermarket industry in 1983. Total grocery store sales rose 4.5 percent, while prices rose only 1.1 percent, and the population grew just slightly over the year before. That meant a substantial amount of real sales growth.

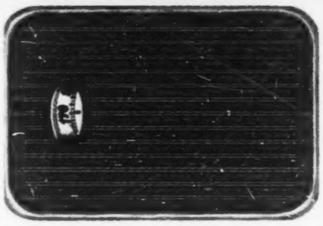
This 37th annual Consumer Expenditures Study (CES) is our largest ever. The study has been revised to make it both more easily readable and more useful. We've added 87 new products. We've also switched the locations of some products, to take into account either their growth or their importance in today's changing supermarket. Snacks, for example, has been moved from Baked Goods and added as a separate category.

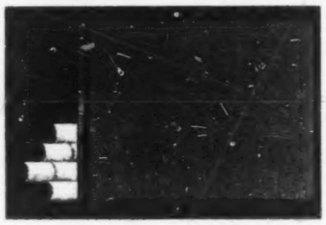
Another addition to the study is "Supermarket Performance." This listing begins on p. 56, as part of the "Highlights." Statistics here project total national supermarket sales and gross margin dollars, which are also shown as percentages of the total supermarket.

Leading up to the statistical tables are seven pages of introductory charts and tables that have been designed to give readers quick references to see how the various kinds of supermarkets performed last year, how supers performed against restaurants, and notable winners and losers in supermarket sales.









PAGE 36
AS FOOD PRICES STABILIZE GROCERY STORES EKE OUT A LITTLE 'REAL' GROWTH

PAGE 37
1983 CONSUMER EXPENDITURES STUDY EXPANDED TO MEET GROWING MARKET

EXPENDITURE TABLES:
SUMMARY TABLE . . . . PAGE 55
HIGHLIGHTS . . . . PAGES 56-78

PERISHABLES:
BAKED GOODS . . . . PAGE 56
INSTORE BAKERY . . . . PAGE 56
DAIRY . . . . PAGE 56
FROZEN FOODS . . . . PAGE 56
FRESH & CURED MEAT,
FISH & POULTRY . . . . PAGE 59
SERVICE DELI . . . . PAGE 59
PRODUCE . . . . PAGE 59

DRY GROCERIES:
BAKING NEEDS . . . . PAGE 60
BEVERAGES . . . . PAGE 60
CANDY AND GUM . . . . PAGE 60
BABY FOODS . . . . PAGE 62
CANNED GOODS . . . . PAGE 62
BREAKFAST FOODS . . . . PAGE 65
PASTA . . . . PAGE 65
CONDIMENTS, DRESSINGS,
SPREADS . . . . PAGE 65
DESSERTS . . . . PAGE 65
DRIED FOODS . . . . PAGE 65
FATS & SHORTENING . . . . . . PAGE 66
JAMS, JELLIES . . . . PAGE 66
SNACKS . . . . PAGE 66
SWEETENERS . . . . PAGE 66

HOUSEHOLD, PET, TOBACCO:
HOUSEHOLD SUPPLIES . . . . PAGE 66
PET FOODS . . . . PAGE 71
TOBACCO PRODUCTS . . . . PAGE 71

GENERAL MERCHANDISE/HBA
GM/HBA . . . . PAGE 71-PAGE 78

FOCUS FEATURES:
PET NEEDS . . . . PAGE 82
CEREAL . . . . PAGE 86
BABY NEEDS . . . . PAGE 91
FROZENS . . . . PAGE 94
BAKED GOODS . . . . PAGE 98
GREETING CARDS . . . . PAGE 99
PERIODICALS . . . . PAGE 102
CANNED GOODS . . . . PAGE 110
PHOTO SUPPLIES . . . . PAGE 114
BEER . . . . PAGE 116
TOBACCO . . . . PAGE 124
SNACKS . . . . PAGE 131
DAIRY . . . . PAGE 134
DIET . . . . PAGE 138
AUTO . . . . PAGE 141
VITAMINS . . . . PAGE 144
HBA . . . . PAGE 147
SOFT DRINKS . . . . PAGE 155
NATURAL FOODS . . . . PAGE 162
DRIED FRUITS . . . . PAGE 164

OTHER FEATURES AND COLUMNS
EDITOR'S VIEW . . . . PAGE 7
TRADESCAN . . . . PAGE 11
WASHINGTOIN BRIEFING . . PAGE 14
TECHNOLOGY . . . . PAGE 19
STORE PLANNING . . . . PAGE 23
PRODUCE . . . . PAGE 26

PAGE 30
H.E. BUTT'S 'FLEXIBLE STRENGTH' IN SAN ANTONIO, TEX.

There aren't too many cities like San Antonio, with its "civilian" and "military" markets. H.E. Butt is the leader here, with a market share nearly three times that of its nearest civilian competitor. Here's a look at how HEB does it.

37TH ANNUAL

CONSUMER EXPENDITURES STUDY

TABLE OF CONTENTS

METHODOLOGY AND DEFINITIONS...... 38
SALES GAINS BY MAJOR CATEGORY..... 38
PER CAPITA AND HOUSEHOLD EXPENDITURES........................ 40
CATEGORIES WITH GREATEST INCREASES DECREASES IN SALES................. 43
A LONG-TERM LOOK AT CATEGORY PERFORMANCE...................... 45
REAL GROWTH, PRICE GROWTH AND TONNAGE GROWTH................. 46
FOOD STORE SALES—BY SIZE OF STORE AND BY AFFILIATION............... 49
SALES BY TYPE OF FOOD STORE......... 50
HOW PRICES BEHAVED................ 50

NOTE: DETAILED TABLE ON PRODUCT PERFORMANCE BEGINS ON PAGE 55

FOCUS FEATURES

PET NEEDS.......................... 82
CEREAL............................. 86
BABY NEEDS......................... 91
FROZENS............................ 94
BAKED GOODS........................ 98
GREETING CARDS..................... 99
PERIODICALS....................... 102
CANNED GOODS...................... 110
PHOTO SUPPLIES.................... 114
BEER.............................. 116
TOBACCO........................... 124
SNACKS............................ 131
DAIRY............................. 134
DIET.............................. 138
AUTO.............................. 141
VITAMINS.......................... 144
HBA............................... 147
SOFT DRINKS....................... 155
NATURAL FOODS..................... 162
DRIED FRUITS...................... 164

GROCERY STORES EKE OUT A LITTLE 'REAL' GROWTH AS FOOD PRICES STABILIZE

Last year prices were fairly stable—and so was consumer spending. But as the battle for the consumer food dollar continues to heat up, more supers are offering greater variety and more freshly made products.

BY NORMAN BUSSEL, RESEARCH

Grocery store sales reached $241 billion in 1983, an increase of only 4.5 percent but a real improvement over the flat 4.4 percent gain in 1982. The bright side in this performance was the inflation rate. Held to just 1.1 percent, versus 3.4 percent the year before, the Consumer Price Index for Food at Home registered the smallest gain in 16 years and grocery stores showed some actual, "real" growth in 1983 compared with an almost zero rate in 1982.

The 1983 return to more stable prices was helped by a 0.6 percent decline in the farm value of domestically grown foods—an increase of only 0.3 percent in prices for fish and imported foods—and a rise of only 1.4 percent in the farm-to-retail spread.

Another indication of a recovering economy was the gain in food tonnage, from 0.8 percent in 1982 to 3.5 percent in 1983. Per capita consumption increased by 10 pounds as Americans consumed more of every food group, except vegetables.

Among the products leading in tonnage increases were: powdered drink mixes (+20.9 percent), cold cereals (+13.6 percent), chilled orange juice (+11.4 percent) and yogurt (+11.0 percent).

Beef leads list in dollar sales

Beef topped the list of foods showing the greatest increase in dollar sales, capturing 8.74 percent of grocery store volume. Consumers purchased nearly 79 pounds of beef per person in 1983, a gain of two pounds over the previous year. A stimulus for the increased sales was the lower prices brought about by drought and hot weather conditions, which resulted in poor corn and soybean harvests. As feed prices rose sharply, livestock producers sent more cattle to market, thus lowering prices.

Poultry also made the list of products with large dollar increases, as per capita consumption rose 2.0 percent over 1982 levels. Pork consumption gained three pounds over 1982, while veal, lamb and mutton were practically unchanged.

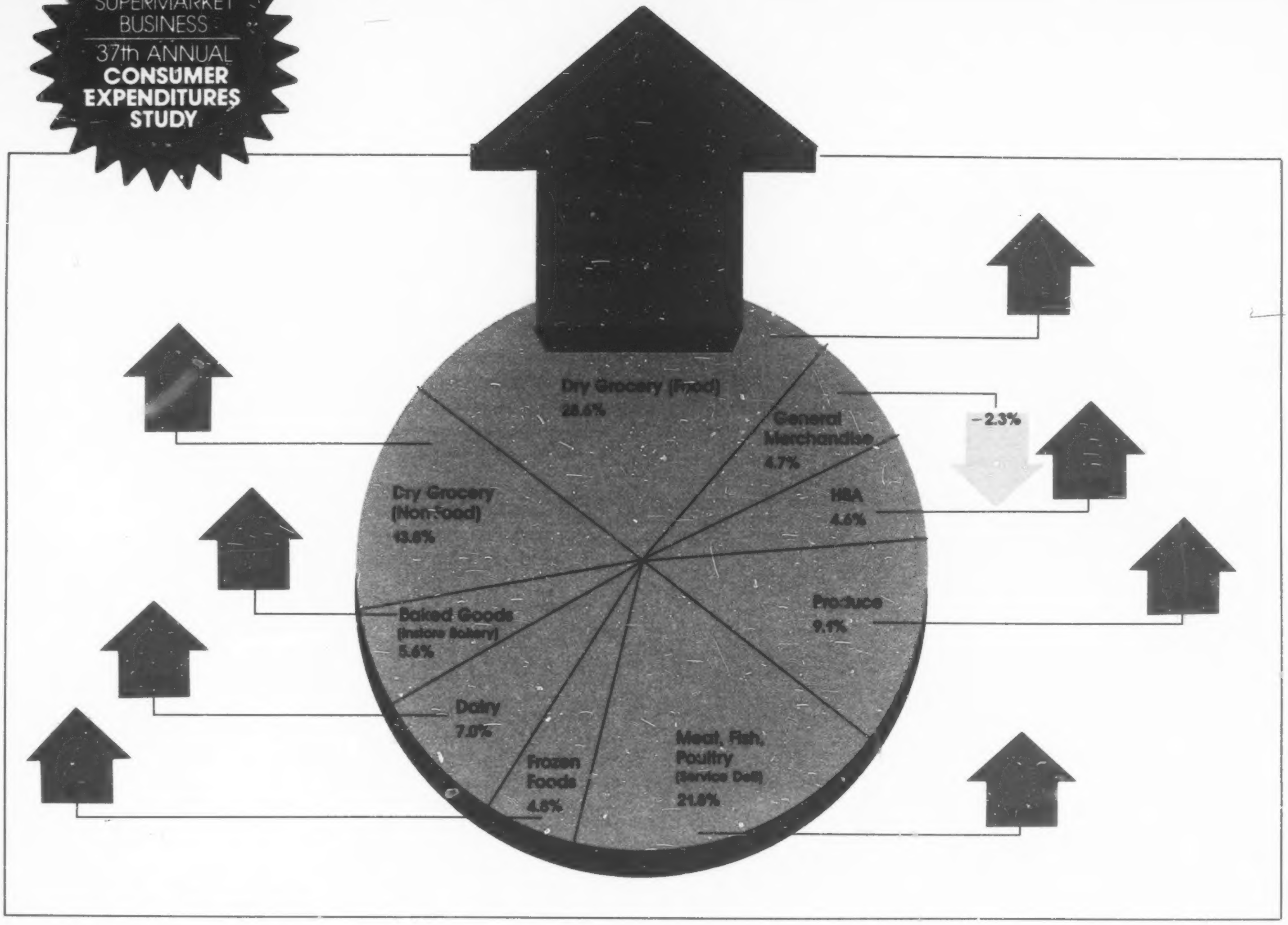
Dairy products posted another sluggish year in 1983 with a sales increase of only 1.3 percent, while the Consumer Price Index rose by 1.2 percent. Per capita consumption of fluid milk and cream dropped 0.8 percent. Grocery store total cheese sales were down 0.4 percent from 1982. Natural cheese sales increased 4.9 percent, but this was not enough to offset the estimated 14.0 percent decline in per capita consumption of processed cheese to 6.6 pounds.

Leading the list of largest percentage increases in dollar sales was synthetic sweeteners, with a forward jump of 44.9 percent, as diet-conscious consumers reacted to the introduction of the new, non-saccharin sweetener, aspartame. Noncaloric and low-calorie sweeteners gained by 10.8 percent, while refined sugar declined 3.9 percent.

Instore Bakery and Service Deli, broken out for the first time this year in CES, showed increases in dollar sales of 19.1 percent and 15.6 percent, respectively. Leading items in Instore Bakery sales were: white bread and rolls (28.5 percent), variety bread and rolls (14.3 percent), and yeast-raised doughnuts (8.5 percent). The top items in Service Deli sales were: sliced meats (36.4 percent), cheese (16.7 percent), salads (11.7 percent) and fried/barbecued chicken (11.4 percent).

In the nonfood sector, cigarettes topped all other grocery store products in dollar sales increases with a total of almost

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY



Grocery store sales were stable last year, inching up a mere 4.5 percent, just a tenth of a percentage point more than 1982's sales gain. Just about every category in the store continued to perform better than the year before, with one exception—general merchandise. Its percentage of store sales dropped more than one percent. Produce continues its strong hold on sales, as does meat, fish and poultry. A lot more of the sales in this category are now coming from poultry.

METHODOLOGY

In terms of size, this 37th Annual Edition of the Consumer Expenditures Study is the largest ever published. We've added 87 new products, bringing the total number of items in the survey to more than 650. We've also made numerous changes in product location, changes that we feel will make the study more comprehensive and easier to use. For example, Snacks have been moved from Baked Goods and established as a separate category; Infant Cereals have been moved from Cereals to Baby Foods; Automobile Polish has been moved from Waxes & Polishes to Auto Supplies and Baking Nuts added to the Baking Needs section.

As it has been for the past 37 years, this issue of SB's Consumer Expenditures Study is a product of consensus rather than census. Our "staff of correspondents," a veritable "Who's Who" in the grocery industry, is comprised of leading manufacturers, packers, importers, bottlers, trade associations, marketing and management companies, advertising agencies, and, of course, major chains and wholesalers.

Respondents to our questionnaires were supplied with the sales estimates from the 36th Annual CES (1982) for the product lines in which they specialize. We asked them to indicate the percent change in retail sales for their products in all outlets and through grocery stores alone. They also had the option to adjust previous sales figures according to their knowledge of the market.

Whenever the estimates of our respondents differed significantly, they were questioned further until the reasons for the variations were resolved. The differences were usually the result of problems with definition or interpretation of questions. After adjustments were made, the reported percent changes were averaged and applied against our 1982 figures, giving us estimates for 1983.

Other sources we wish to acknowledge for their contributions to the study include: U.S. Department of Commerce, U.S. Department of Agriculture, U.S. Bureau of Labor Statistics, Census of Manufacturers, and USDA Foreign Agricultural Service.

OUR DEFINITIONS OF GROCERY STORES

Definitions: Some of the following terms are referred to in this report. To assist interpretations of our findings, they are listed below:

Supermarket—Complete, full-line self-service food markets with a minimum volume of $2 million per year.

Superette—Self-service or service food stores handling groceries, meats and produce, with annual sales of $1 million to $2 million.

Convenience Store—Bantam or small food stores, usually open extended hours and selling a limited line of fast-moving items.

All Other Food Stores—Small (less than $1 million annual sales) general food stores and specialty food stores whose major line may be meat, dairy, produce or general groceries, or food stores not classified above.

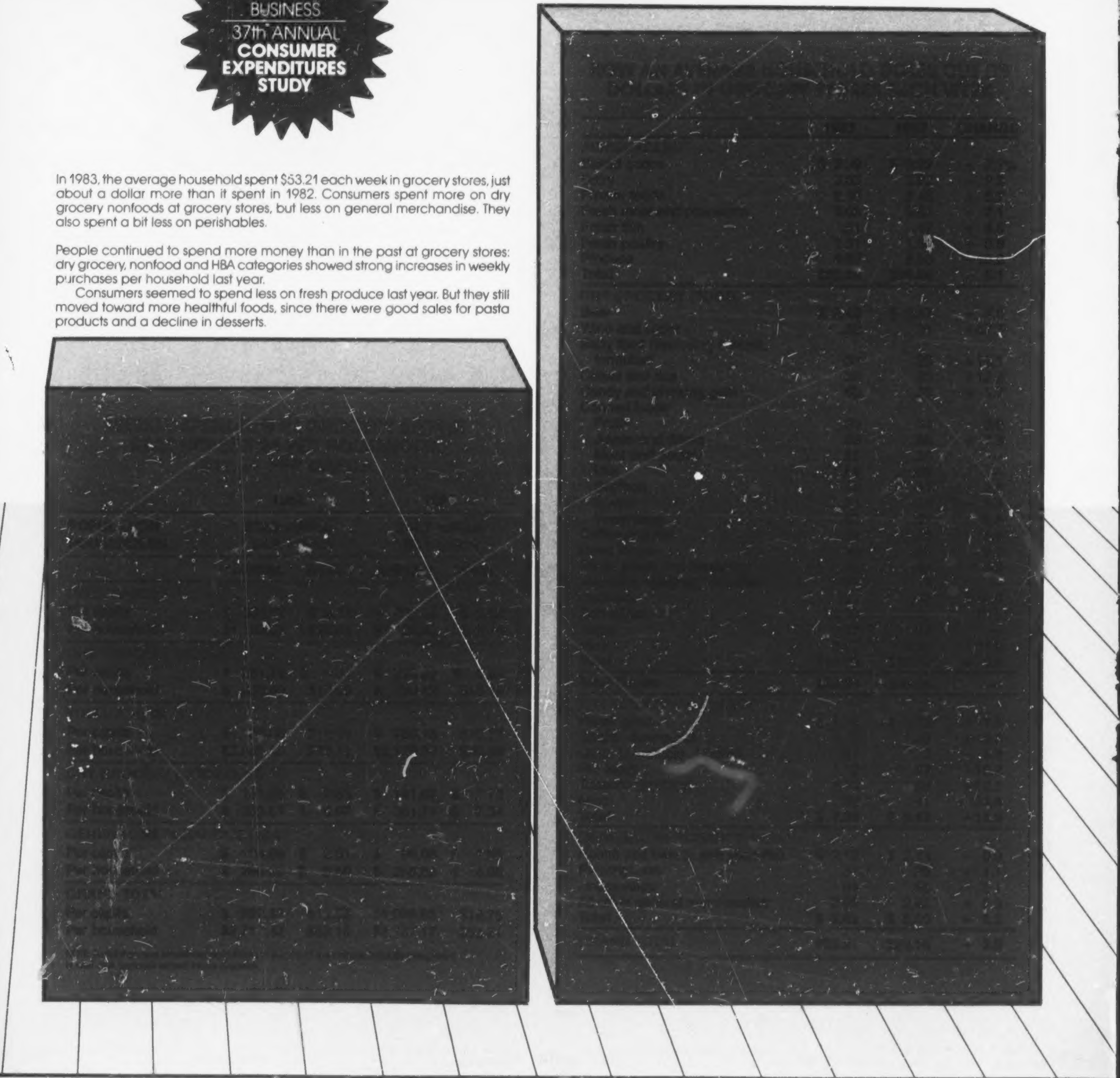
Chain—An operator of four or more food retailing stores, regardless of individual dollar volume.

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

In 1983, the average household spent $53.21 each week in grocery stores, just about a dollar more than it spent in 1982. Consumers spent more on dry grocery nonfoods at grocery stores, but less on general merchandise. They also spent a bit less on perishables.

People continued to spend more money than in the past at grocery stores: dry grocery, nonfood and HBA categories showed strong increases in weekly purchases per household last year.

Consumers seemed to spend less on fresh produce last year. But they still moved toward more healthful foods, since there were good sales for pasta products and a decline in desserts.



Continued from page 36

second at $701.6 million and routine infant formulas was third at $641.0 million.

Among HBA products losing ground were: dieting aids (−1.6 percent), women's hair dressings and conditioners (−3.2 percent), and razors (−12.4 percent).

Supers make plans for beating out—eating out

Although food stores are America's largest retail industry, accounting for 22.4 percent of all retail sales, some ground was lost in 1983 to eating and drinking places, which rang up a hefty 11.2 percent sales gain to claim a 10.2 percent share.

Projections for continued growth in consumer spending for food away from home, particularly in fast food outlets, have spurred grocery retailers to explore ways to stem the erosion of sales to eating places.

Some of the ways that supermarkets are battling for share include the installation of service deli and instore bakery operations in more of their stores. In 1983, the percent of supermarkets offering service deli rose to 55.0 percent, a 6.2 percent increase, while the percent of stores with instore bakery reached 54.0 percent of all supers, a 10.9 percent gain.

As the battle for the consumer's food dollar continues to heat up, more supers will offer fresh seafood, freshly prepared and ready-to-eat foods, frozen prepared foods for quick heating in microwave ovens, domestic and imported cheeses, juice bars, natural foods, and a larger variety of salads. It is difficult to predict all of the strategies grocery retailers will employ to increase their market share, but one thing is certain—the American consumer will enjoy more variety and convenience in food shopping than ever before. ■

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

CATEGORIES THAT INCREASED IN SALES IN 1983

LARGEST PERCENT INCREASES IN DOLLAR SALES

RANK	CATEGORY	1982 GROCERY STORE SALES (000)	% INCREASE	% OF STORE VOLUME
1	Synthetic Sweeteners	179,100	44.9	.07
2	Contact Lens Solution	23,690	34.2	.01
3	Bulk Laxatives	[illegible]	28.3	*
4	Mascara	152,350	24.7	.06
5	Pre-Moistened Wipes	81,600	23.6	.03
6	Deodorant Sticks	203,720	23.[illegible]	.09
7	Eye Shadow	189,470	23.[illegible]	.08
8	Powdered Drink Mixes	756,940	22.7	.31
9	Semi-Moist Cat Food	237,660	21.8	.10
10	Dental Floss	23,130	21.4	.01

LARGEST VOLUME INCREASES IN DOLLAR SALES

RANK	CATEGORY	DOLLAR SALES INCREASE (000)	% INCREASE	% OF STORE VOLUME
1	Cigarettes	1,281,500	16.9	4.05
2	Beef	771,470	3.8	8.74
3	Service Deli	619,320	15.6	1.90
4	Cold Cereals	555,820	19.6	1.41
5	Instore Bakery	321,430	19.1	1.36
6	Beer	460,520	4.4	4.53
7	Fresh Vegetables	316,940	2.5	5.42
8	Other Bottled Soft Drinks	285,640	7.4	1.72
9	Fresh Poultry	270,640	5.1	2.39
10	Fresh Fruit	262,470	3.0	3.72
11	Disposable Diapers	175,690	11.1	.76
12	Crackers, Biscuits, Cookies	169,880	4.7	1.57
13	Fresh Fish & Seafood	161,600	7.8	.93
14	Frozen Dinners	159,720	15.3	.50
15	Prescriptions	157,160	12.5	.51
16	Yogurt	150,720	14.3	.50
17	Wine	142,560	7.7	.83
18	Powdered Drink Mixes	140,030	22.7	.31
19	Chilled Orange Juice	139,010	13.7	.48
20	Packaged Bacon	131,630	6.1	.96

HOW TONNAGE CHANGED FOR SOME PRODUCTS WHICH LED IN DOLLAR SALES INCREASES

CATEGORY	DOLLAR SALES	RETAIL PRICE*	TONNAGE
Cigarettes	+15.9%	+20.8%	−4.1%
Cold cereals	+19.6	+5.3	+13.6
Disposable diapers & liners	+11.1	+1.0	+10.0
Frozen dinners	+15.3	+4.3	+10.5
Powdered drink mixes	+22.7	+1.5	+20.9
Chilled orange juice	+13.7	+2.1	+11.4
Yogurt	+14.3	+3.0	+11.0
Prescriptions	+12.5	+10.9	+1.4
Wine	+7.7	+0.1	+7.6
Fresh fish & seafood	+7.8	+3.3	+4.4
Fresh poultry	+5.1	+1.2	+3.9
Beer	+4.4	+5.8	−1.3

*Based on BLS Consumer Price Index

CATEGORIES THAT DECREASED IN SALES IN 1983

1	Home Canning Jars	36,710	−22.5	.02
2	Caps, Lids and Bands	49,180	−18.9	.02
3	Dried Beans & Peas	244,220	−13.8	.10
4	Dried Toppings	20,800	−13.7	*
5	Razors	14,630	−12.4	*
6	Semi-Moist Dog Food	236,520	−12.2	.10
7	Flash Bulbs & Cubes	51,490	−11.4	.02
8	Breakfast Drinks	137,350	−11.3	.06
9	Stockings	8,640	−10.1	*
10	Fireplace Logs	42,790	−9.8	.02

CATEGORIES THAT DECREASED IN DOLLAR SALES

RANK	CATEGORY	DOLLAR SALES (000)	% DECREASE	% OF STORE VOLUME
1	Processed Cheese	95,640	−5.2	.73
2	Fresh Milk	71,570	−1.2	2.44
3	Peanut Butter	56,030	−6.1	.35
4	Dried Beans & Peas	39,100	−13.8	.10
5	Semi-Moist Dog Food	32,870	−12.1	.10
6	Margarine	32,750	−2.1	.63
7	Butter	29,200	−3.2	.37
8	Family Flour	24,290	−4.7	.20
9	Breakfast Drinks	17,500	−11.3	.06
10	Canned Fruit	12,430	−.8	.61

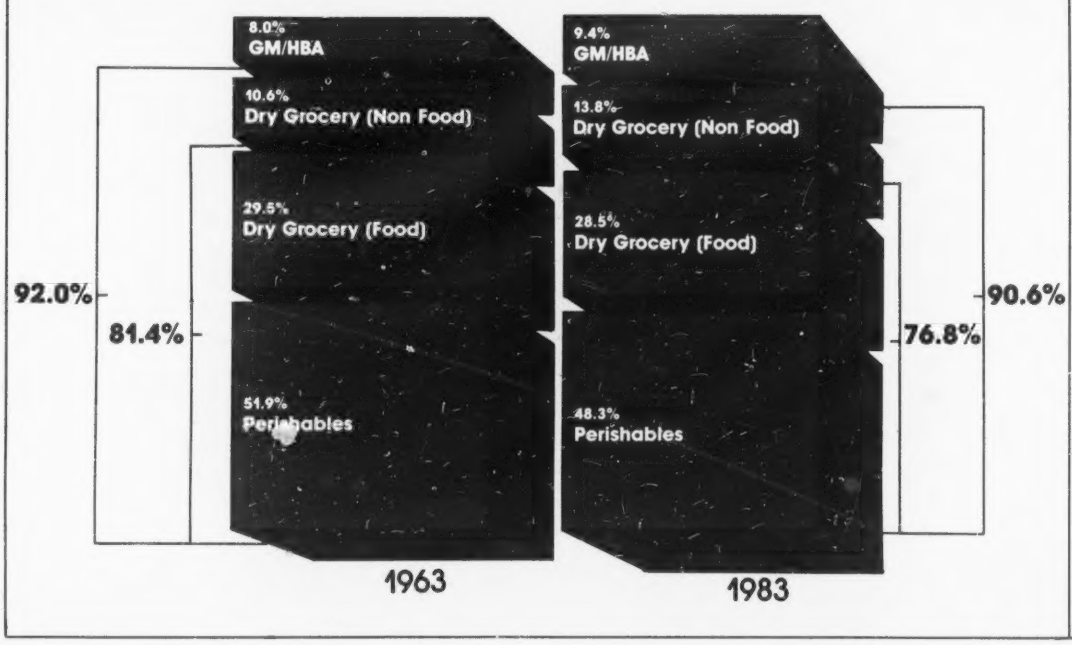
HOW TONNAGE CHANGED FOR SOME PRODUCTS WHICH LED IN DOLLAR SALES DECREASES

CATEGORY	DOLLAR SALES	RETAIL PRICE*	TONNAGE
Peanut butter	−6.1%	−2.5%	−3.5%
Processed cheese	−5.2	+1.7	−6.8
Butter	−3.2	+1.2	−4.3
Family flour	−4.7	+0.6	−5.3
Semi-moist dog food	−12.1	+3.3	−14.9
Dried beans & peas	−13.8	−1.3	−12.3

*Based on BLS Consumer Price Index

Many of the categories that had the highest percentage increases in 1983 did so from modest bases. Synthetic sweeteners, for instance, which had a 44.9 percent increase in dollar sales, represents only .07 percent of store volume. The largest volume increases, of course, represent a greater share of store sales. Here, cigarettes were the winners, owing a lot to price increases. Two areas that have grown in importance lately at stores did well: service deli and instore bakery.

SOME SIGNIFICANT SHIFTS OVER 20 YEARS



If you think you've been spending less on perishables over the years, you're right. Over the past 20 years perishables, which used to account for over 50 percent of store sales now make up 48.3 percent. A lot of the shift came from an increase in the nonfoods area, especially dry groceries.

A 15-YEAR PERSPECTIVE ON HOW FOOD PRODUCTS SELL IN GROCERY STORES

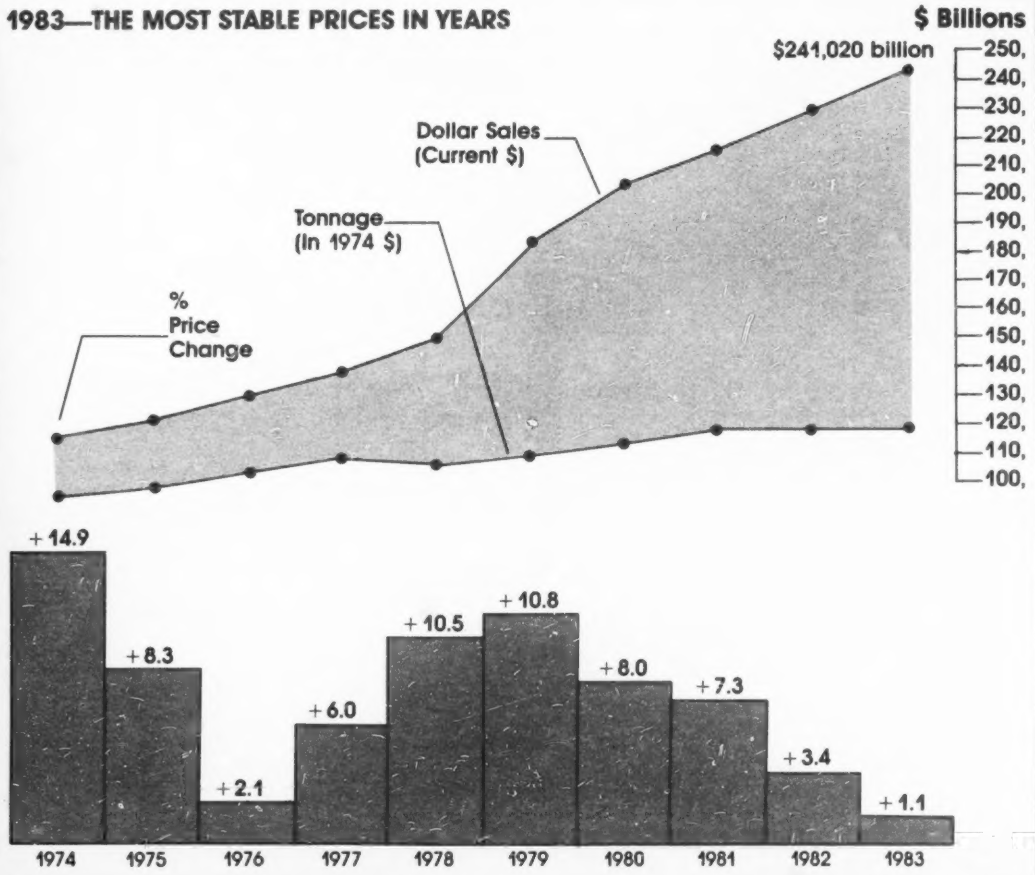
	1968	1973	1978	1983
PERISHABLES ($ millions)	**$38,542**	**$53,921**	**$ 82,791**	**$116,402**
Baked goods	8.74%	7.24%	7.81%	7.31%
Dairy	8.30	8.21	9.64	9.12
Frozen foods	6.32	6.74	6.17	6.21
Fresh meat, fish, poultry	28.65	29.82	28.10	28.31
Produce	13.11	13.93	13.95	11.89
Total	65.12%	65.94%	65.67%	62.84%
DRY GROCERY (FOOD) ($ millions)	**$20,644**	**$27,856**	**$ 43,275**	**$68,819**
Baking needs	.06%	.04%	.04%	1.42%*
Alcoholic beverages	6.34	6.61	6.54	7.14
Prepared beverages	3.68	3.74	5.27	3.93
Soft drinks	2.75	2.88	3.22	3.38
Confectionery	1.41	1.30	1.38	1.48
Canned foods	9.14	8.05	7.51	8.31
Cereals, flour, macaroni	3.44	3.32	3.36	2.56**
Condiments, dressings	2.21	2.04	2.17	2.54
Desserts	.26	.22	.19	.28
Dried foods	1.41	1.46	1.51	1.20
Fats and shortenings	1.72	1.73	.92	.82
Jams, jellies and preserves	.48	.43	.47	1.01
Sweeteners, flavors	1.36	1.20	1.30	1.23
All other foods	.62	1.04	.45	1.86
Total	34.88%	34.06%	34.33%	37.16%
TOTAL FOODS ($ millions)	**$59,186**	**$81,777**	**$126,066**	**$185,221**
	100.0%	100.0%	100.0%	100.0%

*Includes flour **Excludes flour

It may not look like there's been any significant change, over the past 15 years, on how food products sell in grocery stores, but the figures don't represent individual movement within the categories. In the fresh meat, fish, and poultry area, for instance, the price seems to be constant, but that doesn't tell the real story—the amazing growth of poultry and the rise in fresh fish sales at supermarkets, along with a decline in red meat consumption.

The figures shown here represent shares of dollar sales, so the real changes in share of tonnage have been distorted by varying rates of price increases.

1983—THE MOST STABLE PRICES IN YEARS



The meager price rise of 1.1 percent in 1983, coupled with the low rise in 1982, was a great relief for the consumer. Shoppers must have enjoyed going to the supermarket more, since there was some real sales growth—$241,000 billion—up significantly from the year before.

Tonnage did not increase as much as the dollar sales over the years, of course, since sales figures were inflated by high prices.

The larger supermarkets and super stores continue to lead the field in food store sales volume, at the expense of the smaller superettes. Sales at grocery stores of under $1 million a year were static but still relatively healthy. Sales at specialty food stores were constant, after a period of growth in the early 1980s, as more shoppers now use these stores for fill-ins between visits to big stores.

TABLE 1A—FOOD STORE SALES—BY SIZE OF STORE

	SALES (000)		PERCENT OF VOLUME	
	1982	1983	1982	1983
SUPERMARKETS over $2 million	$171,578,000	$182,783,560	67.9%	69.3%
SUPERETTES $1 million to $2 million	$ 15,064,033	$ 15,199,400	6.0	5.8
OTHER GROCERY STORES under $1 million	$ 43,998,967	$ 43,037,040	17.4	16.3
Total Grocery Stores	$230,641,000	$241,020,000	91.2	91.4
Specialty Food Stores[2]	$ 22,159,000	$ 22,580,000	8.8	8.6
TOTAL FOOD STORES	$252,800,000	$263,600,000	100.0%	100.0%

[1] Includes convenience stores and other small grocery stores.

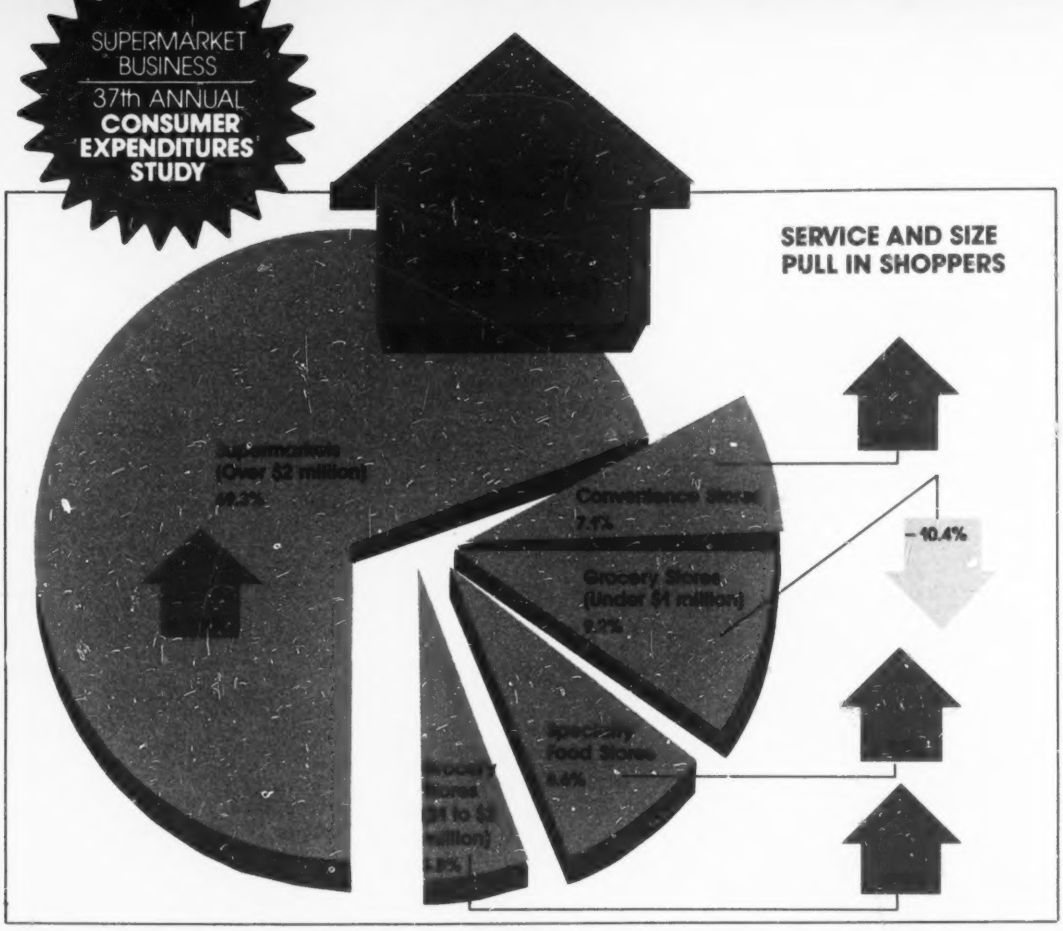
[2] Includes meat, seafood, fruit and vegetable markets, confectionery, bakery, dairy and other food stores.

TABLE 1B—FOOD STORE SALES—BY AFFILIATION

	SALES (000)		PERCENT OF VOLUME	
	1982	1983	1982	1983
Independent Grocery Stores	$ 76,590,491	$ 85,439,264	30.3%	32.4%
Chain Grocery Stores	$154,050,509	$155,580,736	60.9	59.0
Total Grocery Stores	$230,641,000	$241,020,000	91.2	91.4
Specialty Food Stores	$ 22,159,000	$ 22,580,000	8.8	8.6
TOTAL FOOD STORES	$252,800,000	$263,600,000	100.0%	100.0%

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

SERVICE AND SIZE PULL IN SHOPPERS



The remarkable growth in sales at specialty stores a couple of years ago has now stabilized, but still represents a healthy chunk of business, especially compared to the sales at smaller grocery stores. The towering sales at the newer, enormous super stores continue to rise. More stores have room for homier touches such as specialty service departments—the personal touch that customers are searching for outside, in those specialty stores, and inside, in the super store.

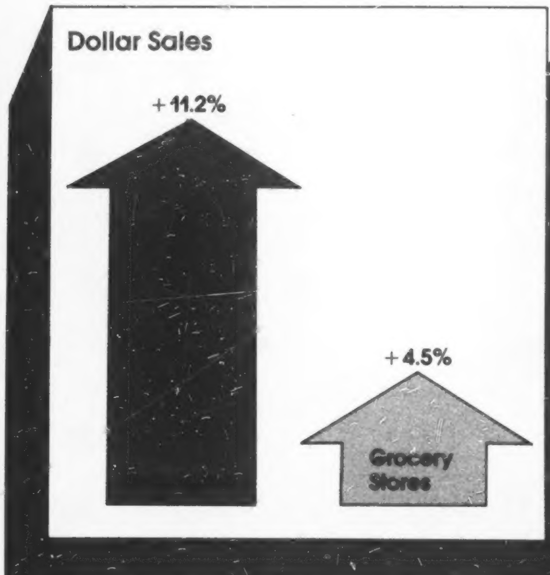
Prices were the most stable since 1976, and last year marked the second year in a row of good food prices—after a long time of headache-causing inflation.

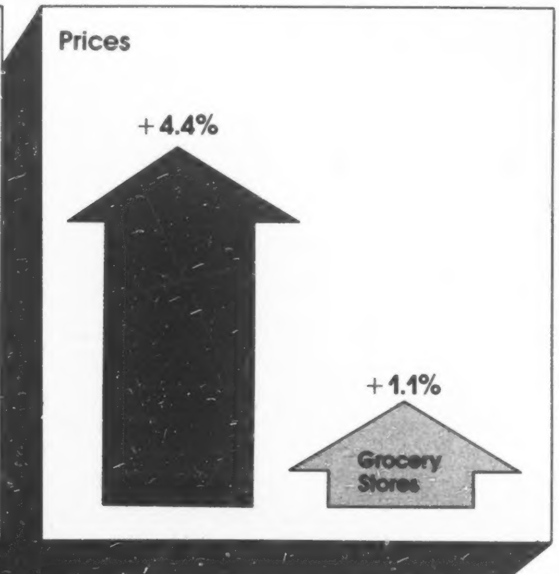
THE YEAR SUPERMARKET PRICES LEVELED OFF

*Source: Bureau of Labor Statistics, Consumer Price Index—Not available

	Percent Change 1983	Percent Change 1982
Food	+ 2.1	+ 4.0
Food Away From Home	+ 4.4	+ 5.3
Food at Home	+ 1.1	+ 3.4
Food and Beverages	+ 2.2	+ 4.1
Cereals & Bakery	+ 3.2	+ 4.5
Bread, white	+ 3.3	+ 3.9
Other bread	+ 2.7	+ 4.0
Cookies	+ 3.7	+ 5.6
Cakes, cupcakes	+ 4.2	+ 4.7
Flour, prepared mixes	+ 0.6	+ 1.5
Fresh Beef	—	—
Sirloin steak	− 0.2	+ 1.0
Hamburger	− 2.6	− 0.5
Chuck roast	− 3.1	+ 0.7
Pork	− 0.9	+ 12.9
Chops	− 0.8	+ 10.4
Bacon	− 2.1	+ 22.6
Sausage	− 0.3	+ 11.4
Canned ham	+ 2.2	+ 8.0
Other Meats	—	—
Frankfurters	− 0.9	+ 4.2
Bologna, liverwurst, salami	+ 0.4	+ 4.4
Beef & veal	− 1.5	+ 1.4
Poultry	+ 1.2	− 1.8
Fresh whole chicken	+ 1.6	− 1.8
Fresh & frozen chicken parts	+ 1.8	− 1.8
Other poultry	− 0.1	− 1.6
Fish & Seafood	+ 1.2	+ 3.6
Canned fish	− 2.6	+ 0.3
Fresh & frozen fish and seafood	+ 3.3	+ 5.7
Dairy Products	+ 1.2	+ 1.4
Fresh whole milk	+ 0.7	+ 0.5
Butter	+ 1.2	+ 2.3
Eggs	+ 4.7	− 2.8
Cheese	+ 1.7	+ 2.6
Ice cream & related products	+ 1.9	+ 2.1
Other dairy products	+ 3.0	+ 2.9
Fresh Fruits & Vegetables	− 0.3	+ 5.5
Apples	− 4.2	+ 17.1
Bananas	+ 10.3	− 1.6
Oranges	− 20.4	+ 28.2
Potatoes	− 1.5	− 15.3
Lettuce	+ 2.5	+ 19.3
Tomatoes	+ 7.7	− 1.2
Processed Fruits	+ 1.5	+ 5.4
Frozen fruit & fruit juices	− 1.7	+ 3.9
Other fruit juices	+ 2.1	+ 5.3
Canned & dried fruits	+ 3.4	+ 6.7
Processed Vegetables	+ 0.4	+ 5.3
Frozen vegetables	+ 4.0	+ 10.3
Cut corn & canned beans except lima	0.0	+ 5.5
Other canned & dried vegetables	− 1.3	+ 2.7
Sugar & Sweets	+ 1.9	− 0.2
Candy & chewing gum	+ 0.8	+ 3.2
Sugar & artificial sweeteners	+ 3.6	− 9.2
Other sweets	+ 2.1	+ 4.9
Fats & Oils	+ 1.3	− 2.8
Margarine	+ 1.0	+ 0.8
Other fats, oils & salad dressings	+ 3.5	− 0.4
Non-dairy substitutes & peanut butter	− 2.5	− 11.3
Beverages	+ 1.9	+ 2.8
Cola drinks except diet cola	+ 2.5	+ 2.9
Carbonated drinks including diet cola	+ 2.4	+ 2.2
Other non-carbonated drinks	+ 1.5	+ 3.7
Roasted coffee	− 1.4	+ 2.9
Freeze-dried instant coffee	+ 2.0	+ 1.9
Alcoholic Beverages	+ 3.8	+ 4.5
Beer & ale	+ 5.8	+ 4.7
Whiskey	+ 2.2	+ 3.9
Wine	+ 0.1	+ 4.3
Other Prepared Foods	+ 3.1	+ 5.2
Canned, packaged soup	+ 3.4	+ 3.5
Frozen prepared foods	+ 4.3	+ 3.4
Snacks	+ 3.6	+ 3.9
Seasonings, olives, pickles, relish	+ 3.8	+ 8.2
HOUSEKEEPING SUPPLIES	+ 3.3	+ 6.3
Soaps & detergents	+ 4.7	+ 6.3
Other laundry, cleaning products	+ 4.6	+ 7.9
Paper towels, napkins, tissues	+ 1.0	+ 5.4
TOBACCO PRODUCTS	+ 19.5	+ 11.2
Cigarettes	+ 20.8	+ 11.7
Other tobacco products & accessories	+ 6.8	+ 7.2
HEALTH & BEAUTY AIDS	—	—
Prescriptions	+ 10.9	+ 11.7
Hair products	+ 5.5	+ 8.1
Dental & shaving products	+ 7.1	+ 9.7
Cosmetic, bath & nail products, manicure & eye makeup implements	+ 6.1	+ 8.4
Other toilet goods	+ 4.9	+ 7.1
GENERAL MERCHANDISE		
Newspapers	+ 6.7	+ 8.0
Stationery & supplies	+ 4.4	+ 6.8
Magazines, books	+ 7.8	+ 11.9
Photo supplies	+ 1.6	+ 3.4
Motor oil, coolant & other products	− 3.3	− 5.1

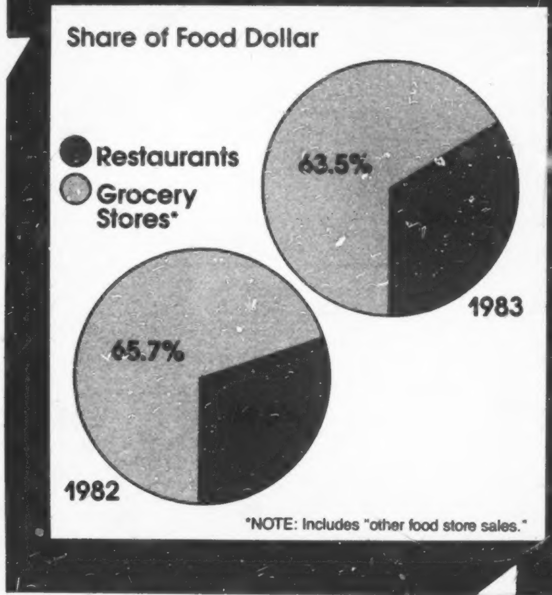
SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY


Dollar Sales

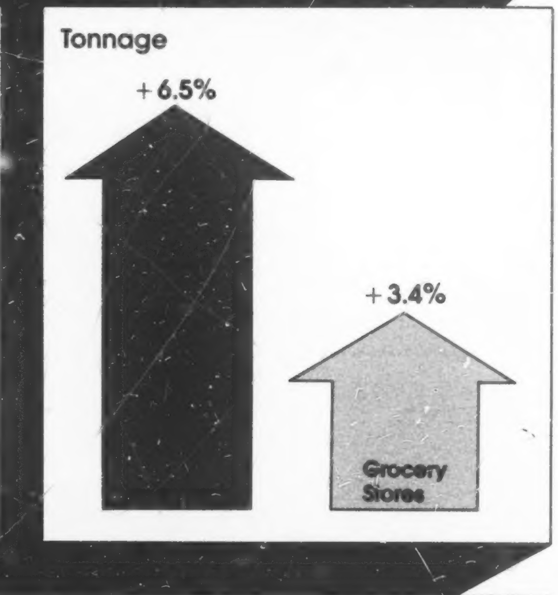

Prices

DINING OUT STILL BEATS EATING AT HOME

Although restaurant prices rose 4.4 percent over 1982, while grocery store prices rose just 1.1 percent, more people preferred dining out. And despite the price increase, tonnage was up substantially at restaurants, compared with 1982. The growing work force prefers to dine out, and the fairly healthy economy has provided people with the money to do so.


Share of Food Dollar

*NOTE: Includes "other food store sales."


Tonnage

GROCERY STORE SALES

	1983 SALES (MILLION)	PERCENT OF TOTAL	CHANGE VS. 1982
ALL RETAIL STORES	**$1,173,692**	**100.0%**	**+ 9.1%**
Specialty food stores	22,580	1.9	+ 1.9
Eating and drinking places	119,367	10.2	+11.2
Liquor stores	19,190	1.6	+ 0.8
GROCERY STORES	**241,020**	**20.5**	**+ 4.5**
General merchandise group	141,587	12.1	+ 7.8
Apparel group	54,791	4.7	+ 5.4
Drug and proprietary stores	38,992	3.3	+ 8.8
Motor vehicle dealers	221,175	18.8	+21.3
Gasoline service stations	104,301	8.9	− 0.3
Furnishings, appliances	51,974	4.4	+11.7
Building supply, hardware stores	56,604	4.8	+15.6
All other retail stores	102,111	8.7	−28.5

GROCERY STORE SALES TRENDS: 1983*

Number of Grocery Stores	164,820
Sales (000)	$241,020,000
Sales per store	$ 1,462,323
U.S. Population (000)	234,700
"People" per store	1,424
Number of Grocery Stores	
Over $2,000,000	28,890
$1,000,000-$2,000,000	10,091
$500,000-$1,000,000	13,779
$500,000 or more	52,760
All other	112,060
Sales (000)	
Over $2,000,000	$182,783,560
$1,000,000-$2,000,000	15,199,400
$500,000-$1,000,000	10,681,305
$500,000 or more	$208,664,265
All other	$ 32,355,735
Sales per Store	
Over $2,000,000	$ 6,326,880
$1,000,000-$2,000,000	1,506,233
$500.000-$1,000,000	775,187
$500,000 or more	$ 3,954,971
All other	$ 288,736
Sales—% of Total Grocery Sales	
Over $2,000,000	75.8%
$1,000,000-$2,000,000	6.3
$500,000-$1,000,000	4.4
$500,000 or more	86.5%
All other	13.5%
Chains (4 or more stores)	36,356
Total Sales (000)	$155,580,736
Sales per store	$ 4,279,369
% of Total Sales	64.6%
All other stores	128,464
Total sales (000)	$ 85,439,264
Sales per store	$ 665,083
% of Total Sales	35.4%

*Grocery store sales reported by U.S. Dept. of Commerce

Grocery stores still have the largest chunk of sales among retail stores; people do have to eat. And they like to eat specialty foods and they like to eat out, as sales at restaurants continued to rise. Sales at specialty food stores have been stable and healthy.

HIGH LIGHTS

SUMMARY OF 1983 SALES OF FOOD STORE PRODUCTS

(add 000 to all dollar figures)	1983				5 Percentage Change From '82 to '83		1982				6
PRODUCTS	1 Value[1] of Total Domestic Consumption	2 Amount Spent in Grocery Stores[2]	3 % of Total Store	4 % Grs[2] to Total	Total[1]	Grocery[2]	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Grs.[2] to Total	Grocery Tonnage 1983 vs. 1982
PERISHABLES	$177,852,060	$116,401,790	48.30	65	3.5	4.3	$171,854,530	$111,634,240	48.40	65	—
Baked Goods	16,462,000	10,296,390	4.27	63	3.2	3.6	15,950,810	9,942,330	4.31	62	– .4
Instore Bakery	3,251,430	3,251,430	1.35	100	19.1	19.1	2,730,000	2,730,000	1.18	100	+15.0
Dairy	33,369,280	16,896,450	7.01	51	.4	1.3	33,233,110	16,679,640	7.23	50	+ .1
Frozen Foods	15,966,670	11,499,560	4.77	72	5.7	5.7	15,112,290	10,876,560	4.72	72	+1.4
Fresh Meat, Fish, Poultry	71,154,020	47,841,160	19.85	67	3.7	4.0	68,582,560	45,986,660	19.94	67	+4.3
Service Deli	4,589,320	4,589,320	1.90	100	15.6	15.6	3,970,000	3,970,000	1.72	100	+15.1
Produce	33,059,350	22,027,470	9.14	67	2.4	2.7	32,275,760	21,449,060	9.30	66	+2.4
DRY GROCERY (FOOD)	$111,961,140	$68,819,450	28.55	61	4.0	5.2	$107,711,450	$ 65,425,110	28.37	61	—
Baking Needs	2,943,640	2,625,360	1.09	89	– .4	.0	2,955,230	2,625,910	1.14	89	+3.4
Beer, Wine, Liquor	35,742,450	13,222,780	5.49	37	2.2	4.9	34,973,290	12,608,930	5.47	36	+1.1
Beverages (Prepared)	9,139,710	7,282,370	3.02	80	2.2	2.6	8,945,900	7,096,980	3.08	79	+ .9
Beverages (Soft Drinks)	10,969,900	6,257,290	2.60	57	6.9	7.1	10,264,200	5,843,760	2.53	57	+4.6
Candy & Chewing Gum	7,978,680	2,733,970	1.13	34	4.2	4.4	7,655,180	2,618,620	1.14	34	+3.4
Baby Foods	1,752,2[illegible]	1,479,150	.61	84	9.2	9.9	1,604,340	1,345,480	.58	84	+8.2
Canned Fish & Other Canned Seafood	2,048,1[illegible]	1,800,900	.75	88	.7	.6	2,033,600	1,790,380	.78	88	+3.2
Canned Fruits	1,719,470	1,474,530	.61	86	–1.0	– .8	1,736,660	1,486,960	.64	86	+3.4
Canned & Bottled Juices and Fruit Drinks	3,069,600	2,666,710	1.11	87	8.9	9.2	2,818,690	2,442,370	1.06	87	+6.9
Canned Meat & Specialty Foods	2,016,580	1,495,090	.62	74	4.2	4.1	1,935,090	1,436,950	.62	74	+5.3
Canned Milk	479,840	416,900	.17	87	.2	.3	478,830	415,500	.18	87	–2.6
Canned Poultry	105,420	95,850	.04	91	5.9	6.4	99,550	90,090	.04	90	+6.5
Canned Prepared Foods	1,430,760	1,309,450	.54	92	6.9	7.6	1,338,820	1,217,560	.53	91	+5.9
Canned & Dry Soups	1,856,690	1,724,150	.72	93	8.0	8.5	1,719,230	1,589,070	.69	92	+4.9
Canned Vegetables	3,327,470	2,924,520	1.21	88	1.5	1.8	3,278,790	2,874,280	1.25	88	+1.4
Breakfast Foods	4,113,140	3,900,940	1.62	95	16.4	17.3	3,532,870	3,325,960	1.44	94	+11.4
Pasta	1,128,230	848,340	.35	75	1.4	1.5	1,112,760	836,710	.36	75	+3.7
Condiments, Dressings, Spreads, Relishes	5,919,110	4,701,710	1.95	79	6.1	6.2	5,577,900	4,427,160	1.92	79	+2.3
Desserts	601,970	526,820	.22	88	.7	.7	598,110	523,150	.23	87	–1.4
Dried Foods	2,850,660	2,224,980	.92	78	.2	1.7	2,844,330	2,187,820	.95	77	– .4
Fats & Shortenings	1,888,630	1,512,770	.63	80	3.6	4.2	1,823,400	1,452,220	.63	80	+2.9
Jams, Jellies & Preserves	2,320,880	1,869,190	.78	81	–2.4	–2.1	2,378,440	1,909,460	.83	80	–4.1
Snacks	6,339,420	3,880,110	1.61	61	5.3	5.6	6,020,270	3,673,250	1.59	61	+1.9
Sweeteners, Flavors	2,774,700	2,269,990	.94	82	4.6	5.1	2,653,820	2,160,730	.94	81	+1.4
All Other Dry Groceries	424,560	405,060	—	—	—	—	197,250	172,420	—	—	—
Duplication (Subtract)	–980,810	–829,480	–3.4	—	—	—	–863,460	–726,600	–.32	—	—
Total Foods	$289,813,200	$185,221,230	76.85	64	3.7	4.6	$279,565,970	$177,059,360	76.77	63	—
DRY GROCERY (NON-FOOD)	$ 50,865,670	$ 33,249,390	13.80	65	7.5	6.2	$ 47,338,640	$ 31,298,870	13.57	66	
Household Supplies	12,460,260	9,457,690	3.92	76	6.3	6.9	11,727,100	8,850,070	3.84	75	+2.3
Paper/Plastic/Foil	9,434,610	8,061,850	3.34	85	4.6	4.3	8,999,560	7,729,020	3.35	86	+3.4
Pet Foods	5,503,680	5,062,820	2.10	92	6.3	6.9	5,177,700	4,736,870	2.05	91	+3.5
Tobacco Products	22,658,030	9,900,850	4.11	44	14.0	15.3	19,883,050	8,588,490	3.72	43	–3.5
All Other Groceries n.c.e.	809,090	766,190	—	—	—	—	1,551,230	1,394,420	—	—	—
HEALTH & BEAUTY AIDS (NON-Rx)	$ 25,798,080	$9,589,600	3.98	37	8.4	4.1	$ 23,800,760	$ 9,213,340	3.99	39	–1.6
PRESCRIPTIONS	$ 17,764,930	$ 1,414,480	.59	6	11.9	12.5	$ 15,875,720	$ 1,257,320	[illegible]	6	+1.4
GENERAL MERCHANDISE	nd	$ 11,545,300	4.79	nd	nd	–2.3	nd	$ 11,812,120	5.12	nd	—
Flashlights & Batteries	2,794,210	422,280	.18	15	8.2	13.3	2,582,450	372,680	.16	14	+10.8
Greeting Cards	3,150,940	309,730	.13	10	17.8	15.9	2,674,820	267,240	.12	10	+7.5
Hosiery	4,721,210	709,480	.29	15	.8	1.0	4,371,290	643,580	.28	15	+6.3
Housewares	3,521,180	308,[illegible]60	.13	9	10.2	11.3	3,196,140	277,490	.12	9	+9.2
Other Housewares	nd	2,880,530	1.20	nd	nd	4.2	nd	2,764,420	1.20	nd	+2.2
Magazines & Newspapers	8,529,030	1,249,900	.52	15	8.7	9.4	7,849,890	1,141,900	.50	15	+1.5
Auto Supplies	1,794,960	400,240	.17	22	– .2	– .1	1,798,430	400,790	.17	22	+1.5
Pet Accessories	1,503,530	400,900	.17	27	3.7	2.6	1,450,270	390,950	.17	27	+ .7
Records & Tapes	1,917,070	169,630	.07	9	2.4	4.1	1,872,140	162,950	.07	9	+2.4
Photo Supplies & Processing	5,140,600	763,640	.32	15	6.1	8.9	4,846,080	701,560	.30	14	+7.2
Stationery	578,270	118,590	.05	21	4.7	2.0	552,530	116,250	.05	21	–2.3
Writing Implements	796,720	90,830	.04	11	4.2	5.4	764,760	86,220	.04	11	+1.0
Toys	8,832,360	198,850	.08	2	4.7	6.2	8,436,830	187,240	.08	2	+4.0
Other General Merchandise	nd	3,523,040	nd	nd	—	—	nd	4,298,850	—	nd	—
Total Non-Foods		$ 55,798,770	23.15	nd	—	4.1	nd	$ 53,581,650	23.23	nd	—
GRAND TOTAL	nd	$241,020,000	100.00	nd	—	4.5	nd	$230,641,000	100.00	nd	—

WHAT THE NUMBERS MEAN

1 Includes farm consumption of farm goods. Value is computed as if sold at grocery store prices.

2 Grocery stores are defined as retail outlets doing a major portion of their business in dry groceries.

3 Percent of total food (or total non-food) sales.

4 Percent of total store volume.

5 Change in sales in total domestic consumption in grocery stores.

6 Change in sales in grocery stores in total domestic consumption.

[1] As reported by U.S. Dept. of Commerce.

nd—No data available.

—Not available.

HIGH LIGHTS

WHAT CONSUMERS SPEND FOR PERISHABLE PRODUCTS

(add 000 to all dollar figures) PRODUCTS	1983				Percentage Change From '82 to '83		1982				1983 Supermarket Performance			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] in Total	Total[3]	Grocery[3]	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro.[2] in Total	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin
PERISHABLES														
Baked Goods	$ 16,462,000	$ 10,296,390	4.27	63	3.2	3.6	$ 15,950,810	$ 9,942,330	4.31	62	$7,183,370	3.93	$ 1,681,630	23.4
Breads & Rolls[4]	$ 9,354,120	$ 5,795,050	2.40	62	2.9	2.9	$ 9,090,530	$ 5,629,770	2.44	62	3,963,920	2.16	876,030	22.1
White Bread	6,494,700	4,745,470	1.97	73	2.6	2.7	6,330,120	4,620,710	2.00	73				
Variety Bread	1,595,650	692,570	.29	43	4.3	4.6	1,529,870	662,110	.29	43				
Rolls, Bread Type[5]	1,263,770	357,010	.15	28	2.7	2.9	1,230,540	346,950	.15	28				
Crackers, Cookies, Biscuits	4,158,690	3,784,330	1.57	91	4.2	4.7	3,991,060	3,614,450	1.57	91	2,724,700	1.49	694,800	25.5
Sweet Goods	$ 2,949,190	$ 717,010	.30	24	2.8	2.7	$ 2,869,220	$ 698,110	.30	24	494,750	.27	110,800	22.4
Cakes & Other Pastry	1,921,830	422,920	.18	22	3.1	3.2	1,864,050	409,810	.18	22				
Doughnuts	561,640	193,390	.08	34	1.4	1.6	553,890	190,340	.08	34				
Pies	465,720	100,700	.04	22	3.2	2.8	451,280	97,960	.04	22				
Instore Bakery	3,251,430	3,251,430	1.35	100	19.1	19.1	$ 2,730,000	$ 2,730,000	1.18	100	3,251,430	1.78	1,778,500	54.7
Dairy Section	$ 33,369,280	$ 16,896,450	7.01	51	.4	1.3	$ 33,233,110	$ 16,679,640	7.23	50	11,826,060	6.47	2,847,610	24.1
Cheese	$ 5,463,150	$ 3,959,130	1.64	72	.3	− .4	$ 5,448,910	$ 3,975,770	1.72	73	2,859,780	1.56	809,630	28.3
Cottage & Pot Cheese	656,290	464,280	.19	71	− .7	− .6	660,910	467,090	.20	71	334,280	.18	88,580	26.5
Natural Cheese[6]	3,019,080	1,751,230	.73	58	4.1	4.9	2,900,170	1,669,430	.72	58	1,260,400	.69	363,000	28.8
Processed Cheese[7]	1,787,780	1,743,610	.72	98	−5.3	−5.2	1,887,830	1,839,250	.80	97	1,265,100	.69	358,050	28.3
Eggs (Shell)	3,705,070	1,175,990	.49	32	2.1	2.4	3,628,870	1,148,420	.50	32	858,470	.47	155,380	18.1
Milk & Milk Products	$ 18,822,220	$ 7,069,150	2.93	38	−1.5	−1.4	$ 19,103,420	$ 7,170,020	3.11	38	4,762,530	2.60	1,000,780	21.0
Butter	1,768,060	883,230	.37	50	−3.7	−3.2	1,835,990	912,430	.40	50	688,900	.38	110,900	16.1
Fresh Cream	426,270	237,760	.10	56	− .9	−1.0	430,140	240,160	.10	56	178,320	.10	39,230	22.0
Fresh Milk	16,566,610	5,892,400	2.44	36	−1.3	−1.2	16,778,420	5,963,970	2.59	36	3,853,480	2.11	837,900	21.7
For Home Consumption	10,332,620	5,892,400	2.44	57	−1.3	−1.2	10,468,720	5,963,970	2.59	57				
Other	6,233,990				−1.2		6,309,710							
Refrigerated Toppings[8]	61,280	55,770	.02	91	4.1	4.3	58,870	53,470	.02	91	41,830	.02	12,750	30.5
Yogurt	$ 1,466,170	$ 1,204,700	.50	82	13.8	14.3	$ 1,288,370	$ 1,053,980	.46	82	861,360	.47	242,900	28.2
Margarine	$ 1,848,420	$ 1,526,690	.63	83	−2.2	−2.1	$ 1,890,000	$ 1,559,440	.68	83	1,076,300	.59	254,000	23.6
Refrigerated Fruit Juices, Drinks[9]	$ 1,483,470	$ 1,420,880	.59	96	12.0	12.4	$ 1,324,000	$ 1,264,460	.55	96	995,840	.55	263,900	26.5
Apple Juice	45,720	42,490	.02	93	16.1	16.4	39,380	36,500	02	93				
Orange Juice	1,195,550	1,153,650	.48	96	13.4	13.7	1,054,270	1,014,640	.44	96				
Orange Flavored Drinks	88,640	83,040	.03	94	9.2	9.5	81,170	75,830	.03	93				
Grapefruit Juice	112,220	103,460	.04	92	.2	.3	111,990	103,150	.04	92				
Other Fruit Drinks, Juices	41,350	38,250	.02	92	11.2	11.4	37,180	34,330	.01	92				
Refrigerated Dough Products	551,510	513,100	.21	93	5.5	6.2	522,760	483,140	.21	92	400,220	.22	114,050	28.5
Refrigerated Fish Appetizers	$ 29,270	$ 26,830	.01	92	9.3	9.9	$ 26,780	$ 24,410	.01	91	21,460	.01	6,970	32.5
Frozen Foods	$ 15,966,670	$ 11,499,560	4.77	72	5.7	5.7	$ 15,112,290	$ 10,876,560	4.72	72	9,760,610	5.34	2,969,080	30.4
Frozen Baked Goods	$ 1,106,470	$ 990,820	.41	90	5.5	5.7	$ 1,047,390	$ 935,850	.41	89	1,091,500	.60	381,630	35.0
Bagels	93,110	86,360	.04	93	14.6	14.8	81,250	75,230	.03	93	73,400	.04	24,950	34.0
Breads & Rolls	234,100	199,550	.08	85	19.7	20.6	195,570	165,460	.07	85	159,620	.09	55,120	34.5
Cakes, Pastries	475,280	437,770	.18	92	1.6	1.9	467,800	429,610	.19	92	382,150	.21	137,700	36.0
Pies	303,980	267,140	.11	88	.4	.6	302,770	265,550	.12	88	227,000	.12	83,080	36.6
Frozen Breakfast Entrees	280,720	263,700	.11	94	9.2	10.1	258,100	240,910	.10	93	249,330	.14	80,780	32.4
Waffles	178,130	166,920	.07	94	8.8	9.7	163,720	152,160	.07	93				
French Toast, Pancakes	32,510	30,550	.01	94	19.3	19.6	27,250	25,540	.01	94				
Other	70,080	66,230	.03	95	1.0	1.1	67,130	63,210	.03	94				
Ice Cream[10]	4,298,920	1,435,220	.60	33	7.6	6.3	3,994,830	1,350,160	.50	34	1,053,690	.58	279,300	26.5
Bulk	662,460	—	—	—	7.1	—	618,540	—	—	—				
Packaged	2,397,190	1,435,220	.60	60	6.9	6.3	2,242,460	1,350,160	.59	60				
Specialties	1,239,280				9.3		1,133,830							
Frozen Coffee Creamer	42,910	38,180	.02	89	.3	.5	42,700	37,990	.02	89	33,600	.02	8,800	26.2
Frozen Toppings	174,360	158,620	.07	91	2.0	2.3	170,940	155,050	.07	91	136,410	.07	33,420	24.5
Frozen Meat, Fish, Poultry	$ 2,877,810	$ 2,307,260	.96	80	3.1	3.0	$ 2,791,270	$ 2,239,800	.97	80	1,995,780	1.09	663,000	33.2
Fish & Other Seafood	806,730	591,600	.25	73	6.1	6.6	760,330	555,070	.24	73	511,770	.28	179,550	35.1
Fish Sticks	114,130	87,620	.04	77	6.5	6.9	107,170	81,970	.04	76	75,790	.04	26,150	34.5
Frozen Shrimp	203,360	157,550	.07	77	9.4	9.8	185,890	143,490	.06	77	136,280	.07	49,100	36.0
Other Frozen Fish & Seafood	489,230	346,430	.14	71	4.7	5.1	467,270	329,620	.14	71	299,700	.16	104,300	34.8
Meat	547,830	262,930	.11	48	4.2	4.4	525,750	251,850	.11	48	230,450	.13	76,050	33.0
Poultry	1,523,250	1,452,730	.60	95	1.2	1.4	1,505,190	1,432,670	.62	95	1,253,560	.69	407,400	32.5

---

1 All consumption—whether at farm level or by institutions, restaurants, government—is given here in terms of retail store valuation (except as otherwise noted). Excluded are those portions of a commodity which are used commercially in making some other products.

2 Refers to grocery stores and includes supermarkets. Excluded from this column (but included in the first column) are sales by such specialty food stores as delicatessens, dairy stores, bakeries, meat markets, fish markets, confectionery stores, fruit and vegetable markets, egg dealers.

3 Decreases are shown by minus signs. Other figures represent increases.

4 Includes frozen bread and rolls, but excludes cakes, pastries, pies.

5 Includes bagels, onion rolls.

6 Includes cheddar, colby, brick, cream, foreign types.

7 Includes cheese food and cheese spreads.

8 Aerosol packed consumer sizes. Butterfat and non-butterfat bases. Excludes powders.

9 In carton, bottle or plastic.

10 Grocery store sales are mainly packaged ice cream and specialties, and a negligible amount of bulk ice cream.

SPENDING FOR PERISHABLE PRODUCTS—continued

(add 000 to all dollar figures) PRODUCTS	1983				Percentage Change From '82 to '83		1982				1983 Supermarket Performance			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Total[1]	Grocery[2]	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro.[2] in Total	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin
Frozen Prepared Foods (Precocked)[11]	$ 3,164,460	$ 3,028,980	1.26	96	7.0	9.2	$ 2,957,920	$ 2,775,050	1.20	94	2,665,500	1.45	792,060	29.7
Dinners	1,229,560	1,203,630	.50	98	12.1	15.3	1,096,830	1,043,910	.45	95	1,052,630	.58	317,900	30.2
Meat Pies	219,330	200,610	.08	91	1.8	2.5	215,450	195,720	.08	91	338,950	.19	97,300	28.7
Poultry Pies	203,050	184,570	.08	91	2.2	3.6	198,680	178,160	.08	90				
Pizza	1,043,870	995,090	.41	95	.8	2.4	1,035,580	971,770	.42	94	875,670	.48	253,940	29.0
Nationality Foods	444,640	422,300	.18	95	14.2	15.7	389,490	364,920	.16	94	378,690	.21	116,950	30.9
Oriental	190,740	181,370	.08	95	18.2	19.7	161,370	151,520	.07	94	162,330	.09	50,320	31.0
Mexican	253,900	240,930	.10	95	11.3	12.9	228,120	213,400	.09	94	216,360	.12	66,640	30.8
Other Frozen Prepared Foods	24,020	22,770	.01	95	9.8	10.7	21,880	20,570	.01	94	19,560	.01	5,960	30.5
Frozen Vegetables, Fruits, Juices[12]	$ 4,021,020	$ 3,276,790	1.36	81	4.5	4.3	$ 3,849,060	$ 3,141,950	1.36	82	2,784,130	1.52	814,470	29.2
Fruits	125,600	116,650	.05	93	10.1	10.5	114,050	105,580	.05	93	100,350	.05	36,210	32.5
Blueberries	11,920	10,760	.00	90	13.6	13.9	10,490	9,450	.00	90				
Raspberries	13,650	12,560	.01	92	15.2	15.5	11,850	10,870	.00	92				
Strawberries	62,620	58,850	.02	94	11.8	12.2	56,010	52,450	.02	94				
Other Frozen Fruits	37,410	34,480	.01	92	4.8	5.1	35,700	32,810	.01	92				
Fruit Juice Concentrates	1,705,110	1,548,150	.64	91	.9	1.1	1,689,450	1,531,410	.66	91	1,315,930	.72	372,420	28.3
Apple	139,560	128,300	.05	92	3.6	4.1	134,710	123,250	.05	91	*			
Grape	116,810	105,340	.04	90	6.2	6.6	109,990	98,820	.04	90	*			
Orange	1,390,270	1,260,840	.52	91	.4	.5	1,384,730	1,254,560	.54	91	1,065,900	.58	289,920	27.2
Grapefruit	21,260	18,850	.01	89	−8.4	−7.6	23,210	20,400	.01	88	*			
Other Fruit Concentrates	37,220	34,820	.01	94	1.1	1.3	36,810	34,370	.01	93	250,030	.01	82,500	33.0
Fruit Drinks	140,410	127,370	.05	91	−2.7	−2.8	144,310	131,070	.06	91	108,900	.06	33,540	30.8
Synthetic Orange[13]	33,720	30,220	.01	90	−8.3	−9.3	36,770	33,310	.01	91				
Regular Orange	12,450	11,090	.00	89	−6.8	−7.4	13,350	11,980	.01	90				
Lemonade Bases	54,140	48,850	.02	90	2.3	2.6	52,920	47,610	.02	90				
Other Fruit Drinks	40,110	37,220	.02	93	−2.8	−2.5	41,270	38,170	.02	92				
Vegetables	2,049,890	1,484,610	.62	72	7.8	8.1	1,901,260	1,373,890	.60	72	1,258,950	.69	372,300	29.6
Asparagus	58,710	40,530	.02	69	5.8	6.1	55,490	38,200	.02	69	*			
Green Beans	90,110	65,060	.03	72	3.1	3.6	87,400	62,800	.03	72	*			
Lima Beans	51,940	33,860	.01	65	8.1	8.5	48,050	31,210	.01	65	*			
Broccoli	128,490	90,120	.04	70	8.3	8.7	118,640	82,900	.04	70	*			
Cauliflower	37,570	26,400	.01	70	1.0	1.3	37,200	26,060	.01	70	*			
Green Peas	147,450	103,000	.04	70	11.8	12.3	131,880	91,720	.04	70	*			
Spinach	61,400	43,330	.02	71	3.2	3.5	59,500	41,870	.02	70	*			
French Fried Potatoes	737,650	590,140	.24	80	7.1	7.4	688,750	549,480	.24	80	500,440	.27	140,120	28.0
Other Potato Products	94,700	68,110	.03	72	5.2	5.5	90,020	64,560	.03	72	57,750	.03	18,480	32.0
Corn	165,800	113,710	.05	69	15.2	15.4	143,930	98,540	.04	68	*			
Other Frozen Vegetables	476,080	310,350	.13	65	8.1	8.3	440,410	286,560	.12	65	700,760	.38	213,700	30.5
Fresh & Cured Meat, Fish & Poultry	$ 71,154,020	$ 47,841,160	19.85	67	3.7	4.0	$ 68,582,560	$ 45,986,660	19.94	67	38,250,670	20.93	8,490,000	22.2
Fresh Fish & Other Fresh Seafood	2,494,720	2,233,380	.93	90	8.2	7.8	2,305,650	2,071,780	.90	90				
Fresh Meat	43,257,510	26,689,930	11.07	62	3.4	3.6	41,856,530	25,759,330	11.17	62				
Beef	34,963,510	21,073,100	8.74	60	3.5	3.8	33,781,160	20,301,630	8.80	60				
Lamb	1,182,240	1,039,300	.43	88	3.2	3.3	1,145,590	1,006,100	.44	88				
Pork	6,063,410	3,928,700	1.63	65	2.7	2.9	5,904,000	3,817,980	1.66	65				
Veal	1,048,350	648,830	.27	62	2.2	2.4	1,025,780	633,620	.27	62				
Poultry	8,763,150	5,762,740	2.39	66	4.8	5.1	8,361,790	5,483,100	2.38	66				
Packaged Meats	$ 16,638,640	$ 13,155,120	5.46	79	3.6	3.8	$ 16,058,590	$ 12,672,450	5.49	79				
Packaged Bacon	2,794,340	2,290,290	.95	82	5.9	6.1	2,638,660	2,158,610	.94	82				
Cured Ham & Picnics	2,905,030	2,288,150	.95	79	1.7	1.9	2,856,470	2,245,490	.97	79				
Frankfurters	1,933,980	1,496,730	.62	77	3.1	3.2	1,875,580	1,449,990	.63	77				
Sausages	1,440,670	1,127,290	.47	78	5.5	5.6	1,365,560	1,067,500	.46	78				
Other Sausage Products	3,604,230	2,835,120	1.18	79	3.1	3.3	3,495,860	2,744,550	1.19	79				
Packaged Cold Cuts	3,960,390	3,117,540	1.29	79	3.5	3.7	3,826,460	3,006,310	1.30	79				
Service Deli	$ 4,589,320	$ 4,589,320	1.90	100	15.6	15.6	$ 3,970,000	$ 3,970,000	1.72	100	4,589,320	2.51	1,835,700	40.0
Produce	$ 33,059,350	$ 22,027,470	9.14	67	2.4	2.7	$ 32,275,760	$ 21,449,060	9.30	66	17,620,280	9.64	5,991,000	34.0
Potatoes	2,984,600	1,785,380	.74	60	1.1	1.2	2,952,130	1,764,210	.76	60				
Lettuce	2,356,500	1,496,060	.62	63	2.4	2.6	2,301,270	1,458,150	.63	63				
Tomatoes	2,303,410	1,335,780	.55	58	4.1	4.3	2,212,690	1,280,710	.56	58				
Carrots	475,530	328,970	.14	69	4.2	5.6	456,360	311,520	.14	68				
Onions	879,380	501,840	.21	57	−10.6	−9.5	983,650	554,520	.24	56				
Celery	624,150	392,290	.16	63	11.3	11.7	560,780	351,200	.15	63				
Corn	491,790	267,650	.11	54	4.5	4.7	470,610	255,630	.11	54				
Mushrooms	576,570	391,390	.16	68	6.6	6.7	540,870	366,810	.16	68				
Other Fresh Vegetables	11,213,090	6,573,810	2.73	59	2.4	2.5	10,950,280	6,413,470	2.78	58				
Apples	2,228,160	1,946,080	.81	87	2.5	2.9	2,173,810	1,891,230	.82	87				
Bananas	1,796,430	1,445,140	.60	80	5.6	5.3	1,701,160	1,372,400	.60	81				
Citrus Fruits	2,067,270	1,708,120	.71	83	1.2	1.5	2,042,760	1,682,880	.73	82				
Other Fresh Fruits	5,062,480	3,854,970	1.60	76	2.7	2.9	4,929,390	3,746,330	1.62	76				
Total Perishables	$177,852,060	$116,401,790	48.30	65	3.5	4.3	$171,854,530	$111,634,240	48.40	63	92,481,740	50.60	25,593,520	27.7

[11] Includes frozen soups.

[12] Consumer size packages for home use.

[13] Excludes powdered synthetic orange.

* Less than .005%

HIGH LIGHTS

WHAT CONSUMERS SPEND FOR DRY GROCERIES

(add 000 to all dollar figures) PRODUCTS	1983				Percentage Change From '82 to '83		1982				1983 Supermarket Performance			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Total[1]	Grocery[2]	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro.[2] to Total	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin
DRY GROCERIES														
Baking Needs	$ 2,943,640	$ 2,625,360	1.09	89	– .4	.0	$ 2,955,230	$ 2,625,910	1.14	89	1,920,000		412,000	21.4
Baking Chocolate & Bits	353,540	334,490	.14	95	.7	.8	351,060	331,830	.14	95	245,000	.13	58,800	24.0
Baking Powder	21,370	19,140	.01	90	3.9	4.1	20,570	18,380	.01	89	14,000	.01	3,950	28.2
Baking Soda	14,570	12,130	.01	83	6.3	6.6	13,710	11,370	.00	83	8,870	.00	2,440	27.5
Yeast[14]	50,200	47,030	.02	94	2.2	2.6	49,120	45,840	.02	93	34,380	.02	1,135	33.0
Baking Nuts	362,690	291,880	.12	80	2.8	3.0	352,970	283,420	.12	80	215,500	.12	53,875	25.0
Shelled Walnuts	251,240	200,860	.08	80	2.6	2.8	244,870	195,390	.08	80				
Other Baking Nuts	111,450	91,020	.04	82	3.1	3.4	108,100	88,030	.04	81				
Flour	$ 2,141,270	$ 1,920,690	.80	90	– 1.2	– .7	$ 2,167,790	$ 1,935,060	.84	89	1,403,250	.77	291,800	20.8
Cake Flour	12,760	11,370	.00	89	4.6	5.1	12,200	10,820	.00	89	8,350	.00	2,140	25.6
Corn Meal	149,160	125,840	.05	84	– 6.5	– 6.4	159,530	134,450	.06	84	92,100	.05	21,640	23.5
Family Flour	608,000	492,500	.20	81	– 4.8	– 4.7	639,700	516,790	.22	81	359,200	.20	55,680	15.5
Pancake & Waffle Mixes	141,300	129,450	.05	92	– 1.3	– 1.1	143,160	130,890	.06	91	94,600	.05	23,840	25.2
Prepared Mixes	1,229,050	1,161,530	.48	95	1.3	1.7	1,213,200	1,142,110	.50	94	849,000	.46	188,500	22.2
Cake Mixes	550,820	1,161,530	.48	95	– 3.1	1.7	568,440	1,142,110	.50	94				
Frostings, Icings, Fudge Mixes	286,210						259,010							
Pie Crust Mixes	60,700				10.5		63,690							
Pizza Pie Mixes	88,470				3.1		85,810							
Other Prepared Mixes	242,870				2.8		236,250							
Beer, Wine & Liquor[14]	$ 35,742,450	$ 13,222,780	5.49	37	2.2	4.9	34,973,290	12,608,930	5.47	36	8,590,000	4.69	2,018,100	23.5
Beer	17,451,580	10,926,830	4.53	63	4.2	4.4	16,753,960	10,466,310	4.54	62	7,100,000	3.88	1,434,200	20.2
Bottled, canned beer for home and other off-premise consumption	11,866,670	10,926,830	4.53	92	4.1	4.4	11,399,300	10,466,310	4.54	92				
Draft beer, bottled, canned beer for on-premise consumption	5,584,920	—	—	—	4.3	—	5,354,670	—	—	—				
Liquor	11,913,480	301,930	.13	3	– .9	3.7	12,021,670	291,150	.13	2	280,000	.15	112,000	40.0
Wine	6,377,390	1,994,030	.83	31	2.9	7.7	6,197,660	1,851,470	.80	30	1,210,000	.66	471,900	39.0
Prepared Drinks	$ 9,139,710	$ 7,282,370	3.02	80	2.2	2.6	$ 8,945,900	$ 7,096,930	3.08	79	5,250,000	2.87	850,530	16.2
Cocoa	315,140	277,860	.12	86	– 1.2	– 1.0	318,870	280,730	.12	88	200,000	.10	49,000	24.5
Unsweetened Cocoa	34,480	25,140	.01	73	– 3.3	– 3.2	35,650	25,970	.01	73				
Prepared Sweet Cocoa	280,670	252,720	.10	90	– .9	– .8	283,220	254,760	.11	90				
Coffee	6,322,560	4,738,660	1.97	75	.0	.1	6,321,030	4,735,960	2.05	75	3,411,800	1.87	384,780	11.3
Regular Coffee	4,591,460	3,124,050	1.30	68	.3	.4	4,577,730	3,111,600	1.35	68	2,240,500	1.23	241,970	10.8
Instant Coffee	1,731,100	1,614,610	.67	93	– .7	– .6	1,743,300	1,624,360	.70	93	1,171,300	.64	142,900	12.2
Powdered Drink Mixes[15]	807,240	756,910	.31	94	22.4	22.7	659,510	616,880	.27	94	544,750	.30	152,530	28.0
Dry Milk Powder[16]	167,460	155,500	.06	93	– 9.3	– 9.2	184,630	171,250	.07	93	112,000	.06	19,040	17.0
Prepared Food Drinks[17]	146,750	125,330	.05	85	9.6	9.8	133,890	114,150	.05	85	90,700	.05	24,940	27.5
Tea	1,005,470	884,030	.37	88	7.4	7.9	936,240	819,690	.36	88	643,000	.35	160,790	25.0
Instant Tea	141,690	129,640	.05	91	– 5.4	– 5.2	149,770	136,750	.06	91	95,500	.05	27,220	28.5
Ice Tea Mixes	292,080	267,710	.11	92	18.1	18.3	247,320	226,300	.10	91	190,400	.10	54,840	28.8
Bags & Loose Tea	440,090	394,200	.16	90	5.1	5.3	418,740	374,360	.16	89	288,800	.15	64,110	22.2
Herb Tea	131,610	92,490	.04	70	9.3	12.4	120,410	82,280	.04	68	68,300	.04	14,620	21.4
Breakfast Drinks	146,560	137,350	.06	94	– 11.9	– 11.3	166,360	154,850	.07	93	98,900	.05	26,310	26.6
Coffee Creamers	228,530	206,740	.09	90	1.4	1.6	225,380	203,480	.09	90	148,850	.08	33,050	22.2
Soft Drinks	$ 10,969,900	$ 6,257,290	2.60	57	6.9	7.1	$ 10,264,200	$ 5,843,760	2.53	57	4,615,000	2.52	929,820	20.1
Bottled Soft Drinks	9,282,980	4,663,330	1.93	50	6.8	7.0	8,688,280	4,358,740	1.89	50	4,449,500	2.43	881,000	19.8
Dietetic	656,280	517,710	.21	79	3.6	3.8	633,480	498,760	.22	79				
Other	8,626,700	4,145,620	1.72	48	7.1	7.4	8,054,810	3,859,980	1.67	48				
Canned Soft Drinks	1,510,080	1,423,470	.59	94	5.8	6.1	1,427,430	1,342,230	.58	94				
Dietetic	548,640	500,420	.21	91	4.4	4.7	525,510	477,950	.21	91				
Other	961,450	923,050	.38	96	6.6	6.8	901,920	864,280	.37	96				
Bottled Water	176,840	170,490	.07	96	19.1	19.4	148,480	142,790	.06	96	165,500	.09	48,820	29.5
Candy & Chewing Gum	$ 7,978,680	$ 2,733,970	1.13	34	4.2	4.4	7,655,180	2,618,620	1.14	34	1,780,000	0.97	600,100	33.7
Bar Candy	2,934,050	950,390	.39	32	5.3	5.8	2,786,700	898,060	.39	32	1,295,500	.71	419,750	32.4
Chocolate	2,304,050	746,220	.31	32	3.2	3.7	2,232,610	719,590	.31	32				
Non-Chocolate	630,000	204,170	.08	32	13.7	14.4	554,090	178,470	.08	32				
Packaged Chocolate	243,680	111,880	.05	46	6.9	6.6	227,900	104,930	.05	46				
Chocolate Covered Creams	120,810	56,300	.02	47	10.5	10.2	109,330	51,090	.02	47				
Chocolate Covered Fruits	61,950	27,380	.01	44	5.6	5.2	58,660	26,030	.01	44				
Chocolate Covered Nuts	60,930	28,200	.01	46	1.7	1.4	59,910	27,810	.01	46				
Packaged Candy Covered Chocolate	296,820	165,290	.07	56	7.1	7.4	277,140	153,900	.07	56				
Bulk Candy	579,390	319,290	.13	55	2.4	1.3	565,810	315,190	.14	56				
Packaged Soft Candy	100,610	56,220	.02	56	– 3.7	– 3.4	104,470	58,200	.03	56				
Packaged Hard Candy	299,530	172,450	.07	58	3.1	3.3	290,520	166,940	.07	57				
Hard Roll Candy	134,100	65,810	.03	49	2.1	2.5	131,340	64,200	.03	49				

---

[14] Spending in all outlets includes restaurant and other on-premises.

[15] Excludes "Breakfast Drinks" listed separately.

[16] Nonfat dry milk solids in household size packages.

— Not Available

[17] Includes chocolate syrup drinks, malted milk items, and other items but excludes chocolate syrup.

HIGH LIGHTS

SPENDING FOR DRY GROCERIES—continued

(add 000 to all dollar figures) PRODUCTS	1983				Percentage Change From '82 to '83		1982				1983 Supermarket Performance			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Total[1]	Grocery[2]	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro.[2] to Total	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin
Breath Fresheners	183,510	88,820	.04	48	3.6	3.8	177,130	85,570	.04	48	57,730	.03	21,590	37.4
Marshmallows	68,650	61,480	.03	90	−5.3	−4.9	72,490	64,650	.03	89	39,600	.02	9,700	24.5
Chewing Gum	1,270,080	577,140	.24	45	4.9	5.4	1,211,350	547,670	.24	45	387,170	.21	149,060	38.5
Regular Chewing Gum	500,070	222,720	.09	45	5.1	5.4	475,810	211,310	.09	44				
Sugarless Chewing Gum	369,790	165,180	.07	45	1.9	2.3	362,900	161,460	.07	44				
Bubble Gum	400,220	189,240	.08	47	7.4	8.2	372,640	174,900	.08	47				
Other Candy	1,868,260	165,200	.07	9	3.2	3.7	1,810,330	159,310	.07	9	*			
Baby Foods[18]	$ 1,752,250	$ 1,479,150	.61	84	9.2	9.9	$ 1,604,340	$ 1,345,480	.58	84	1,050,000	0.57	94,370	9.0
Desserts	62,160	51,540	.02	83	1.1	1.5	61,490	50,780	.02	3	36,590	.02	3,440	9.4
Fruits	326,170	279,600	.12	86	6.3	7.6	306,840	259,850	.11	85	198,520	.11	18,060	9.1
Meat & Combinations	239,150	197,900	.08	83	1.8	2.3	234,920	193,450	.08	82	140,510	.08	13,070	9.3
Vegetables	86,500	72,310	.03	84	4.2	4.8	83,020	69,000	.03	83	51,340	.03	4,670	9.1
Infant Cereals	57,460	48,320	.02	84	5.2	5.5	54,620	45,800	.02	84	34,300	.02	3,910	11.4
Infant Formulas	980,810	829,480	.34	85	13.6	14.2	863,460	726,600	.32	84	588,740	.32	51,220	8.7
Hypoallergenic Formulas[19]	221,250	188,390	.08	85	14.6	15.4	193,060	163,250	.07	85				
Routine Infant Formulas	759,560	641,090	.27	84	13.3	13.8	670,390	563,350	.24	84				
Canned Fish & Other Canned Seafood	$ 2,048,190	$ 1,800,900	.75	88	.7	.6	$ 2,033,600	$ 1,790,380	.78	88	1,380,000	.75	267,790	19.4
Salmon	347,850	255,100	.11	73	7.4	7.6	323,880	237,080	.10	73	196,350	.11	55,370	28.2
Sardines	90,180	83,880	.03	93	−1.1	−1.2	91,180	84,900	.04	93	65,000	.04	20,410	31.4
Tuna	1,531,870	1,401,580	.58	91	− .7	− .6	1,542,670	1,410,040	.61	91	1,080,500	.59	181,520	16.8
Other Canned Fish & Seafood	78,300	60,340	.03	77	3.2	3.4	75,870	58,360	.03	77	38,150	.02	10,490	27.5
Canned Fruits	$ 1,719,470	$ 1,474,530	.61	86	−1.0	− .8	$ 1,736,660	$ 1,486,960	.64	85	1,080,000	.59	257,520	23.8
Citrus[20]	57,980	50,920	.02	88	.6	.7	57,630	50,570	.02	88	38,190	.02	10,080	26.4
Pineapple	223,350	192,580	.08	86	1.2	1.4	220,700	189,920	.08	86	187,550	.10	45,390	24.2
Applesauce	228,170	199,250	.08	87	4.3	4.6	218,760	190,480	.08	87	145,550	.08	36,940	25.4
Apricots	29,030	26,010	.01	90	−4.3	−4.2	30,330	27,150	.01	90	18,990	.01	5,050	26.6
Fruit Cocktail	245,800	209,910	.09	85	−2.4	−2.5	251,840	215,290	.09	85	146,630	.08	30,520	20.8
Peaches	322,920	276,060	.11	85	−1.2	−1.3	326,840	279,700	.12	86	179,440	.10	41,630	23.2
Pears	160,690	135,940	.06	85	−3.2	−3.0	166,000	140,140	.06	84	108,750	.06	27,730	25.5
Other Canned Fruits	451,540	383,870	.16	85	−2.8	−2.5	464,550	393,710	.17	85	255,000	.14	60,180	23.6
Canned & Bottled Juices & Fruit Drinks[21]	$ 3,069,600	$ 2,666,710	1.11	87	8.9	9.2	$ 2,818,690	$ 2,442,370	1.06	87	2,000,000	1.09	449,860	22.5
Apple Juice & Cider	663,960	603,120	.25	91	6.9	7.2	621,110	562,610	.24	91	502,300	.27	111,500	22.2
Cranberry Juice	298,460	277,640	.12	93	11.9	12.2	266,720	247,450	.11	93	257,520	.14	53,560	20.8
Orange Juice	124,090	96,120	.04	77	.3	.8	123,720	95,360	.04	77	72,090	.04	17,080	23.7
Grape Juice	132,970	122,360	.05	92	3.4	3.6	128,600	118,110	.05	92	96,780	.05	23,030	23.8
Grapefruit Juice	158,410	130,920	.05	83	−8.5	−7.4	173,130	141,380	.06	82	102,100	.05	21,640	21.2
Pineapple Juice	103,740	96,270	.04	93	.3	.6	103,430	95,700	.04	93	72,220	.04	15,100	20.9
Nectars	59,690	55,220	.02	93	1.1	1.3	59,040	54,510	.02	92	41,420	.02	11,680	28.2
Prune Juice	132,090	112,630	.05	85	2.8	3.1	128,490	109,240	.05	85	82,470	.05	19,790	24.0
Other Canned Juices	28,320	22,360	.01	80	5.2	5.6	26,920	21,180	.01	79	16,770	.01	3,440	20.5
Vegetable Juices[22]	291,190	247,570	.10	85	2.7	2.2	283,530	242,240	.11	85	195,700	.11	41,290	21.1
Fruit Drinks	1,076,690	902,510	.37	84	19.1	19.6	904,020	754,610	.33	83	560,630	.31	131,750	23.5
Canned Meat & Specialty Foods	$ 2,016,530	$ 1,495,090	.62	74	4.2	4.1	$ 1,935,090	$ 1,436,950	.62	74	1,090,000	.60	230,010	21.1
Beef Hash	93,310	72,980	.03	78	2.9	3.1	90,680	70,790	.03	78	53,200	.03	14,150	26.6
Lunch Meat	202,060	172,600	.07	85	3.5	3.7	195,230	166,440	.07	85	125,820	.07	18,240	14.5
Sausages & Frankfurters	162,260	142,620	.06	88	2.9	3.2	157,690	138,200	.06	88	103,970	.06	25,160	24.2
Corned Beef	83,330	75,610	.03	91	3.1	4.4	80,820	72,420	03	90	55,120	.03	13,230	24.0
Meat Spreads	90,560	82,900	.03	92	−1.1	−1.5	91,570	84,160	.04	92	60,430	.03	15,410	25.5
Other Canned Meat	1,385,060	948,380	.39	68	5.0	4.8	1,319,100	904,940	.39	69	691,460	.38	143,820	20.8
Canned Milk	$ 479,840	$ 416,900	.17	87	.2	.3	$ 478,830	$ 415,500	.18	87	310,000	.17	37,200	12.0
Condensed Milk	27,770	17,370	.01	63	−1.2	−1.1	28,110	17,560	.01	62				
Evaporated Milk	452,070	399,530	.17	88	.3	.4	450,720	397,940	.17	88				
Canned Poultry	$ 105,420	$ 95,850	.04	91	5.9	6.4	$ 99,550	$ 90,090	.04	90	70,000	.04	19,250	27.5
Canned Prepared Food	$ 1,430,760	$ 1,309,450	.54	92	6.9	7.6	$ 1,338,020	$ 1,217,560	.53	91	950,000	.52	230,460	24.3
Chili	280,510	242,070	.10	86	4.4	5.5	268,690	229,450	.10	85	176,710	.10	44,530	25.2
Mexican Food	399,950	371,960	.15	93	15.1	15.5	347,400	322,040	.14	93	271,530	.14	70,050	25.8
Oriental Food	202,450	191,380	.08	95	1.2	1.6	200,050	188,370	.08	94	139,700	.07	39,670	28.4
Pasta	398,160	373,890	.16	94	3.8	4.1	383,580	359,160	.16	94	272,940	.14	57,320	21.0
Meat Stew	149,690	130,160	.05	87	8.3	9.8	138,220	118,540	.05	86	89,120	.05	18,890	21.2
Canned & Dry Soups	$ 1,856,690	$ 1,724,150	.72	93	8.0	8.5	$ 1,719,230	$ 1,589,070	.69	92	1,260,000	.69	279,210	22.2
Canned Soup[23]	1,529,190	1,424,020	.59	93	7.8	8.3	1,418,540	1,314,880	.57	93	1,037,770	.57	220,000	21.2
Dry Soup Mixes[24]	265,400	242,190	.10	91	9.8	10.4	241,710	219,370	.10	91	179,230	.10	45,880	25.6
Instant Bouillon & Cubes	62,110	57,950	.02	93	5.3	5.7	58,980	54,820	.02	93	43,000	.02	13,330	31.0

---

[18] Includes glass packs, infant formulas also listed under HBA.

[19] Includes soya isolate formulas.

* Less than .005%

[20] Canned or chilled citrus sections.

[21] Full strength and concentrated juices in can. Non-carbonated. Includes aseptic pack juices and drinks.

[22] Chiefly tomato juice.

[23] Excludes frozen soups.

[24] Excludes boullion cubes listed seperately.

HIGH LIGHTS

SPENDING FOR DRY GROCERIES—continued

(add 000 to all dollar figures)

PRODUCTS	1983				Percentage Change From '82 to '83		1982				1983 Supermarket Performance			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Total[1]	Grocery[2]	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro.[2] to Total	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin
Canned Vegetables	$ 3,327,470	$ 2,924,520	1.21	88	1.5	1.8	$ 3,278,790	$ 2,374,280	1.25	88	2,160,000	1.18	462,840	21.4
Beans with Pork or Sauce[25]	426,890	389,000	.16	91	.9	1.2	423,080	384,390	.17	91	287,350	.16	60,630	21.1
Asparagus	86,360	74,960	.03	87	3.4	4.9	83,520	71,460	.03	86	55,370	.03	13,290	24.0
Beans (Wax & Green)	364,200	321,460	.13	88	2.1	2.4	356,710	313,920	.14	88	237,460	.13	57,470	24.2
Beets	73,730	65,670	.03	89	−1.4	−1.3	74,780	66,530	.03	89	48,500	.03	11,540	23.8
Corn	606,670	535,920	.22	88	1.4	1.7	598,290	526,960	.23	88	395,880	.22	78,000	19.7
Mushrooms	249,680	223,540	.09	90	.4	.5	248,680	222,430	.10	89	165,130	.09	36,660	22.2
Peas	342,760	303,840	.13	89	.6	.7	340,720	301,730	.13	89	204,440	.11	44,980	22.0
Sauerkraut	70,950	64,160	.03	90	.4	.5	70,670	63,840	.03	90	47,390	.03	11,610	24.5
Tomatoes	384,130	328,590	.14	86	1.6	1.8	378,080	322,780	.14	85	262,730	.14	61,740	23.5
Tomato Sauce	399,390	342,530	.14	86	2.8	3.2	388,520	331,910	.14	85	253,030	.14	46,550	18.4
Tomato Paste	215,850	184,790	.08	86	2.3	2.5	210,990	180,280	.08	85	136,500	.07	26,340	19.3
Tomato Puree	61,430	52,210	.02	85	2.1	2.2	60,170	51,080	.02	85	38,570	.02	7,170	18.6
Other Canned Vegetables	45,430	37,860	.02	83	1.9	2.4	44,580	36,970	.02	83	27,650	.02	6,860	24.8
Breakfast Foods	$ 4,113,140	$ 3,900,940	1.62	95	16.4	17.3	$ 3,532,870	$ 3,325,960	1.44	94	2,900,000	1.58	578,920	20.0
Cold Cereals	3,542,540	3,389,800	1.41	96	18.8	19.6	2,982,020	2,834,280	1.23	95	2,509,960	1.37	497,000	19.8
Hominy Grits	84,490	74,680	.03	88	−1.3	−1.2	85,610	75,590	.03	88	57,520	.03	12,650	22.0
Hot Cereals	411,700	367,230	.15	89	4.9	5.4	392,470	348,420	.15	89	280,040	.15	56,570	20.2
Toaster Pastries	74,300	69,240	.03	93	2.1	2.3	72,770	67,680	.03	93	52,480	.03	12,700	24.2
Pasta	$ 1,128,230	$ 849,340	.35	75	1.4	1.5	$ 1,112,760	$ 836,710	.36	75	610,000	.33	162,250	26.6
Macaroni	373,870	264,010	.11	71	1.3	1.4	369,080	260,360	.11	71				
Noodles	273,930	198,670	.08	73	.8	.9	271,750	196,900	.09	72				
Spaghetti	480,420	386,660	.16	80	1.8	1.9	471,930	379,450	.16	80				
Condiments, Dressings, Spreads, Relishes	$ 5,919,110	$ 4,701,710	1.95	79	6.1	6.2	$ 5,577,900	$ 4,427,160	1.92	79	3,450,000	1.89	823,260	23.9
Condiments	$ 1,768,660	$ 1,375,640	.57	78	3.5	3.9	$ 1,708,690	$ 1,324,680	.57	78	999,410	.55	292,140	29.2
Barbeque Sauce	56,800	49,750	.02	88	19.7	20.2	47,450	41,390	.02	87	36,470	.02	9,360	25.5
Ketchup	578,060	454,350	.19	79	4.2	4.5	554,760	434,780	.19	78	323,400	.18	53,680	16.6
Condiment Sauces[26]	98,320	76,400	.03	78	9.6	10.1	89,710	69,390	.03	77	56,050	.03	13,450	24.0
Flavor Enhancers	22,130	19,730	.01	89	2.4	2.5	21,610	19,250	.01	89	14,500	.01	3,830	26.4
Meat Tenderizers	34,590	28,130	.01	81	4.7	4.9	33,040	26,820	.01	81	20,640	.01	5,720	27.7
Prepared Mustard	149,860	113,980	.05	76	13.4	15.3	132,150	98,850	.04	75	93,640	.05	21,350	22.8
Onion Flakes	41,060	35,430	.01	86	2.2	2.3	40,180	34,630	.02	86	26,000	.01	10,270	39.5
Pepper	154,110	109,580	.05	71	−1.1	−2.2	155,820	112,040	.05	72	80,410	.04	29,900	37.2
Salt	143,060	117,450	.05	82	−7.3	−7.1	154,330	126,420	.05	82	86,180	.05	20,080	23.3
Spices	490,670	370,840	.15	76	2.3	2.7	479,630	361,090	.16	75	262,120	.14	124,500	47.5
Dressings, Spreads	$ 2,024,170	$ 1,688,300	.70	83	4.4	4.6	$ 1,939,530	$ 1,614,060	.70	83	1,268,685	.69	225,520	17.8
Pourable Salad Dressings	731,370	634,920	.26	87	5.1	5.2	695,880	603,540	.26	87	465,900	.25	124,860	26.8
Spoonable Salad Dressings	395,230	347,040	.14	88	7.1	7.3	369,030	323,430	.14	86	274,470	.14	37,600	13.7
Mayonnaise	726,620	580,910	.24	80	3.5	3.6	702,050	560,720	.24	80	426,270	.23	37,500	8.8
Sandwich Spreads	48,740	43,080	.02	88	−1.3	−1.2	49,380	43,598	.02	88	31,610	.02	7,110	22.5
Vinegar	122,200	82,360	.03	67	− .8	− .5	123,190	82,770	.04	67	70,435	.04	18,450	26.2
Relishes & Appetizers	$ 1,132,910	$ 763,180	.32	67	8.7	8.6	$ 1,041,820	$ 702,570	.30	67	579,970	.31	176,180	30.4
Bottled Green Olives	150,680	125,980	.05	84	.9	1.1	149,340	124,610	.05	83	102,440	.06	36,360	35.5
Canned Ripe Olives	151,980	134,060	.06	88	13.8	14.2	133,550	117,390	.05	88	108,330	.06	36,180	33.4
Pickled Cucumbers, Tomatoes, Peppers[27]	726,900	415,940	.17	57	10.1	10.2	660,220	377,440	.16	57	305,200	.16	87,900	28.8
Relishes & Mixed Pickles	103,340	87,210	.04	84	4.7	4.9	98,700	83,130	.04	84	64,000	.03	15,740	24.6
Spaghetti Sauces	$ 993,370	$ 874,590	.36	88	11.9	11.3	$ 887,860	$ 785,850	.34	89	601,935	.33	129,420	21.5
Meatless	858,310	768,180	.32	89	11.9	11.2	767,030	690,810	.30	90				
With Meat	123,880	97,550	.04	79	12.6	12.8	110,020	86,480	.04	79				
With Clams	11,180	8,860	.00	79	3.4	3.5	10,820	8,560	.00	79				
Desserts	$ 601,970	$ 526,820	.22	88	.7	.7	$ 598,110	$ 523,150	.23	87	400,000	.22	93,720	23.4
Packaged Gelatin[28]	207,740	189,690	.08	91	−1.9	−1.8	211,760	193,160	.08	91	144,160	.08	30,270	21.0
Prepared Puddings[29]	284,430	241,460	.10	85	2.9	3.0	276,520	234,510	.10	85	183,100	.10	41,750	22.8
Instant	98,760	82,520	.03	84	2.6	2.7	96,260	80,350	.03	83				
Other Prepared Puddings	185,670	158,940	.07	86	3.0	3.1	180,260	154,160	.07	86				
Dried Toppings	21,990	20,800	.01	95	−15.3	−13.7	25,960	24,100	.01	93	15,840	.01	4,800	30.3
Ice Cream & Dessert Toppings	87,810	74,880	.03	85	4.7	4.9	83,870	71,380	.03	85	56,900	.03	16,900	29.7
Dried Foods	$ 2,850,660	$ 2,224,980	.92	78	.2	1.7	$ 2,844,330	$ 2,187,820	.95	77	1,630,000	.89	441,030	27.1
Dried Vegetables & Fruits	$ 1,817,710	$ 1,315,320	.55	72	−2.5	−1.4	$ 1,864,860	$ 1,333,610	.58	72	943,280	.51	258,030	27.4
Beans & Peas	482,130	244,220	.10	51	−14.0	−13.8	560,620	283,320	.12	51	138,300	.08	40,100	29.0
Fruits	594,630	441,980	.18	74	7.4	6.5	553,500	415,120	.18	75	323,900	.18	94,580	29.2
Apricots	30,540	21,260	.01	70	9.7	9.8	27,840	19,360	.01	70				

[25] Includes baked beans.

[26] Excludes chili, seafood, cocktail and spaghetti sauces.

[27] Includes pickles of all types as well as pickled tomatoes, peppers, and the like. Mixed pickles are included in relishes.

[28] Both flavored and unflavored.

[29] Includes corn starch puddings, tapioca, rennet.

SPENDING FOR DRY GROCERIES—continued

(add 000 to all dollar figures) PRODUCTS	1983				Percentage Change From '82 to '83		1982				1983 Supermarket Performance			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Total[1]	Grocery[2]	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro.[2] to Total	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin
Dates	37,010	29,130	.01	79	3.8	3.9	35,650	28,040	.01	79	323,900	.18	94,580	29.2
Figs	6,130	5,770	.00	71	6.5	6.7	7,630	5,410	.00	71				
Raisins	389,850	287,720	.12	74	9.3	7.8	356,680	266,900	.12	75				
Prunes	102,020	79,030	.03	77	2.3	2.4	99,730	77,180	.03	77				
Other Dried Fruits	27,090	19,070	.01	70	4.3	4.6	25,970	18,230	.01	70				
Instant Mashed Potatoes	138,700	129,560	.05	93	3.4	3.9	134,140	124,700	.05	93	94,950	.05	27,900	29.4
Other Instant Potatoes	50,010	45,680	.02	91	3.2	3.8	48,460	44,010	.02	91	33,480	.02	10,110	30.2
Rice	552,230	453,880	.19	82	−2.8	−2.7	568,140	466,470	.20	82	352,650	.19	85,340	24.2
Other Dried Foods	$ 1,032,950	$ 909,670	.38	88	5.5	6.5	$ 979,470	$ 854,210	.37	87	686,720	.38	183,000	26.6
Cured Fish	196,690	125,650	.05	64	5.6	6.1	186,260	118,430	.05	64	92,100	.05	26,150	28.4
Dry Gravy Mixes	62,200	58,910	.02	95	8.7	9.4	57,220	53,850	.02	94	43,180	.02	15,110	35.0
Dry Dinner Mixes	529,570	502,510	.21	95	4.3	5.7	507,740	475,410	.21	94	368,290	.20	90,230	24.5
Breading Mixes	97,540	82,070	.03	84	3.3	2.4	94,420	80,150	.03	85	60,150	.03	17,560	29.2
Dry Stuffing Mixes	146,950	140,520	.06	96	9.8	11.2	133,830	126,370	.05	94	123,000	.07	33,950	27.6
Fats & Shortening[30]	$ 1,888,630	$ 1,512,770	.63	80	3.6	4.2	$ 1,823,400	$ 1,452,220	.63	80	1,100,000	.60	190,490	17.3
Cooking & Salad Oils	1,136,310	919,730	.38	81	3.8	4.1	1,094,710	883,510	.38	81	670,000	.37	123,950	18.5
Lard	157,110	68,100	.03	43	−3.4	−3.5	162,640	70,570	.03	43	49,500	.03	15,840	32.0
Olive Oil	71,240	66,050	.03	93	9.4	9.6	65,120	60,260	.03	93	48,000	.03	10,800	22.5
Shortening[31]	523,970	45,900	.19	88	4.6	4.8	500,930	437,880	.19	87	332,500	.18	39,900	12.0
Jams, Jellies, Preserves	$ 2,320,880	$ 1,869,190	.78	81	−2.4	−2.1	$ 2,378,440	$ 1,909,460	.83	80	1,340,000	.73	333,880	24.9
Citrus Marlalade	13,050	861,000	.36	86	3.4	2.1	12,630	843,350	.37	86	617,400	.34	172,870	28.0
Fruit Butter	6,720				1.6		6,610							
Jams, Preserves	710,350				1.8		688,950							
Jellies	283,030				2.1		277,210							
Honey	229,310	160,990	.07	70	−1.9	−1.8	233,750	163,940	.07	70	115,430	.06	30,470	26.4
Peanut Butter	1,087,420	847,150	.35	78	−6.2	−6.1	1,159,300	902,180	.39	78	607,170	.33	130,540	21.5
Snacks	$ 6,339,420	$ 3,880,110	1.61	61	5.3	5.6	$ 6,020,270	$ 3,673,250	1.59	61	2,500,000	1.37	748,360	29.9
Corn Chips	934,770	686,850	.28	73	12.1	12.4	833,870	611,080	.26	73	462,530	.25	134,130	29.0
Packaged Unpopped Popcorn	192,390	169,090	.07	88	2.3	2.5	188,060	164,970	.07	88	108,940	.06	34,640	31.8
Popped Popcorn	280,210	205,870	.09	73	4.6	4.8	267,890	196,440	.09	73	112,640	.06	35,370	31.4
Pork Rinds	200,580	174,900	.07	87	1.8	1.9	197,030	171,640	.07	87	112,690	.06	34,260	30.4
Potato Chips	2,808,240	1,536,160	.64	55	7.1	7.3	2,622,070	1,431,650	.62	55	989,820	.54	294,970	29.8
Pretzels	337,430	301,360	.13	89	1.2	1.4	333,430	297,200	.13	89	194,160	.10	59,220	30.5
Snack Nuts[32]	1,585,810	805,870	.33	51	.6	.7	1,577,920	800,270	.35	51	519,220	.28	115,770	30.0
Sweeteners, Flavors	$ 2,774,700	$ 2,269,990	.94	82	4.6	5.1	$ 2,653,820	$ 2,160,730	.94	81	1,660,000	.91	239,360	14.4
Flavoring Extracts	149,750	100,130	.04	67	−6.0	−5.7	159,240	106,230	.05	67	73,250	.04	26,030	36.2
Vanilla Extract	89,650	61,210	.03	68	−6.2	−5.9	95,580	65,050	.03	68	44,780	.02	14,780	33.0
Other Flavoring Extracts	60,100	38,920	.02	66	−5.6	−5.5	63,660	41,190	.02	65	28,470	.02	11,250	39.5
Marshmallow Cream	11,140	10,100	.00	91	−4.4	−4.2	11,650	10,540	.00	90	7,390	.00	1,920	26.0
Packaged Molasses	22,580	19,410	.01	86	.5	.6	22,470	19,300	.01	86	14,200	.01	4,000	28.2
Sugar	1,983,480	1,669,510	.69	84	3.3	3.5	1,920,120	1,613,050	.70	84	1,170,690	.64	113,550	9.7
Synthetic Sweeteners	215,660	179,100	.07	83	41.4	44.9	152,520	123,600	.05	81	131,030	.07	35,900	27.4
Table Syrup	392,080	291,740	.12	74	1.1	1.3	387,820	288,000	.12	74	263,440	.14	57,960	22.0
All Other Dry Groceries[33]	$ 424,560	$ 405,060	—	—	—	—	$ 197,250	$ 172,420	—	—	—	—	—	—
Duplication[34]	$ 980,810	$ 829,480	.34	85	13.6	14.2	$ 863,460	$ 726,600	.32	84	—	—	—	—
Total Dry Groceries—Food	$111,961,140	$ 68,819,450	28.55	61	4.0	5.2	$107,711,450	$ 65,425,110	28.37	61	49,095,500	26.8	610,750,330	21.9
Total Foods[35]	$289,813,200	$185,221,230	76.85	64	3.7	4.6	$279,565,970	$177,059,360	76.77	63	141,577,240	77.46	36,343,850	25.7

WHAT CONSUMERS SPEND FOR HOUSEHOLD, PET, TOBACCO PRODUCTS

Household Supplies	$ 12,460,260	$ 9,457,690	3.92	76	6.3	6.9	$ 11,727,100	$ 8,850,070	3.84	75	6,610,000	3.61	1,528,450	23.1
Laundry Supplies	955,450	879,870	.37	92	4.1	4.2	918,100	844,670	.37	92	620,000	.34	129,880	21.0
Bleaches	302,490	280,660	.12	93	4.4	4.5	289,720	268,530	.12	93	197,950	.11	31,670	16.0
Liquid	256,030	238,630	.10	93	4.3	4.4	245,480	228,570	.10	93				
Dry	46,450	42,040	.02	90	5.0	5.2	44,240	39,960	.02	90				
Bluing	4,640	3,880	.00	84	3.2	3.4	4,500	3,750	.00	83	2,750	.00	810	29.5
Fabric Softeners	567,020	521,780	.22	92	3.4	3.5	548,370	504,130	.22	92	367,500	.20	82,690	22.5
Laundry Starch	81,310	73,550	.03	90	7.7	7.8	75,510	68,260	.03	90	51,800	.03	14,710	28.4
Dry	3,820	3,400	.00	89	1.3	1.2	3,770	3,360	.00	89				
Sprays	64,170	57,760	.02	90	8.7	8.8	59,030	53,090	.02	90				
Other Liquids	13,330	12,390	.01	93	4.8	4.9	12,720	11,810	.01	93				
Soaps & Detergents	$ 5,588,770	$ 5,063,270	2.10	91	7.6	7.9	$ 5,194,350	$ 4,690,830	2.03	90	3,695,000	2.02	691,570	18.7
Cleansers (scouring)	321,230	250,540	.10	78	3.9	4.2	309,170	240,440	.10	78	182,840	.10	37,480	20.5

[30] Margarine included with dairy.

[31] Vegetable shortening and shortening compounds.

[32] Includes bulk nuts.

[33] Includes new products and products not classified elsewhere.

[34] For Infant Formulas also listed under HBA

[35] Edibles for human consumption. Excludes pet foods.

— Not Available

HIGH LIGHTS

SPENDING FOR HOUSEHOLD, PET, TOBACCO PRODUCTS—continued

(add 000 to all dollar figures) PRODUCTS	1983				Percentage Change From '82 to '83		1982				1983 Supermarket Performance			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Total[1]	Grocery[2]	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro.[2] to Total	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin
Laundry Bar Soap	5,370	4,240	.00	79	−4.5	−4.0	5,620	4,410	.00	78	3,090	.00	790	25.6
Soap Flakes, Chips, Powders	42,240	39,710	.02	94	3.9	4.2	40,660	38,110	.02	94	28,980	.02	5,270	18.2
Liquid Detergents	1,664,400	1,552,110	.64	93	8.9	9.2	1,529,000	1,421,110	.62	93	1,132,750	.62	219,070	19.3
Heavy Duty	506,740	469,190	.19	93	8.3	8.8	467,900	431,240	.19	92	342,410	.19	55,470	16.2
Other Liquids	1,157,660	1,082,920	.45	94	9.1	9.4	1,061,100	989,870	.43	93	790,340	.43	163,600	20.7
Other Detergents	2,360,950	2,234,770	.93	95	7.7	8.0	2,192,250	2,069,830	.90	94	1,630,740	.89	269,030	16.5
Dishwasher Compounds	414,850	364,590	.15	88	8.8	9.1	381,300	334,180	.14	88	266,080	.15	56,140	21.1
Other Dry Low Sudsing	847,530	797,990	.33	94	8.2	8.5	783,300	735,480	.32	94	1,364,660	.75	212,890	15.6
Other Dry Detergents	1,098,560	1,072,190	.44	98	6.9	7.2	1,027,660	1,000,180	.43	97				
Toilet Soaps & Detergents	1,080,550	917,090	.38	85	7.4	7.4	1,006,500	853,930	.37	85	669,290	.37	148,580	22.2
Deodorant Soaps & Bars	502,260	491,300	.20	98	5.4	5.6	476,530	465,240	.20	98				
Liquid Soaps	146,550	91,380	.04	62	13.1	15.4	129,580	79,180	.03	61				
Bath Soaps	292,440	227,710	.09	78	4.6	4.8	279,580	217,280	.09	78				
Bath Detergents	139,310	106,710	.04	77	15.3	15.7	120,820	92,230	.04	76				
Water Softener Salt	114,030	64,830	.03	57	2.6	2.8	111,140	63,060	.03	57	47,310	.03	11,350	24.0
Other Cleaners, Cleansers & Supplies	$ 2,687,750	$ 1,717,390	.71	64	7.2	7.6	$ 2,507,650	$ 1,596,040	.69	64	1,220,000	.67	346,940	28.4
All-Purpose Cleaners (Liquids)	600,810	516,960	.21	86	9.2	9.7	550,200	471,240	.20	86	367,120	.20	86,270	23.5
Cellulose Sponges	103,500	77,300	.03	75	10.1	7.4	94,010	71,980	.03	77	54,920	.03	20,980	38.2
Spot Cleaning Fluids	35,690	15,220	.01	43	1.2	2.2	35,270	14,890	.01	42	10,810	.01	3,500	32.4
Drain Pipe Solvents	26,550	24,500	.01	92	5.9	6.2	25,070	23,070	.01	92	17,400	.01	5,220	30.0
Household Ammonia	48,780	33,840	.01	69	− .9	− .8	49,230	34,120	.01	69	24,040	.01	7,240	30.1
Household Brooms	145,780	104,060	.04	71	5.2	5.4	138,580	98,730	.04	71	73,930	.04	29,720	40.2
Household Disinfectants	239,430	180,700	.07	75	3.7	4.5	231,000	172,870	.07	75	128,390	.07	34,150	26.6
Aerosol	189,490	140,120	.06	74	3.9	4.8	182,380	133,700	.06	73				
Non-Aerosol	49,930	40,580	.02	81	2.7	3.6	48,620	39,170	.02	81				
Household Deodorizers	282,430	158,860	.07	56	8.7	9.4	259,780	145,160	.06	56	112,870	.06	30,930	27.4
Aerosol	81,710	58,720	.02	72	11.3	11.8	73,410	52,520	.02	72				
Non-Aerosol	200,720	100,140	.04	50	7.7	8.1	186,370	92,640	.04	50				
Rug Cleaners	67,720	48,900	.02	72	−2.1	−1.9	69,180	49,850	.02	72	34,740	.02	10,560	30.4
Oven Cleaners	71,400	67,040	.03	94	8.4	8.6	65,870	61,730	.03	94	47,630	.03	12,150	25.5
Steel Wool & Wire Sponges[36]	112,710	103,010	.04	91	4.2	4.6	108,170	98,480	.04	91	73,190	.04	22,100	30.2
Toilet Bowl Cleaners	94,630	80,370	.03	85	20.1	19.8	78,790	67,090	.03	85	57,100	.03	16,560	29.0
Vacuum Cleaner Bags	647,820	147,130	.06	23	7.4	8.2	603,180	135,980	.06	23	104,530	.06	37,100	35.5
Wall & Floor Cleaners[37]	48,750	43,170	.02	89	3.8	3.3	46,960	41,790	.02	89	30,670	.02	8,650	28.2
Window Cleaners	69,300	60,980	.03	88	9.6	9.4	63,230	55,740	.02	88	43,320	.02	11,780	27.2
All Other Cleaners[38]	92,450	55,370	.02	60	3.7	3.8	89,150	53,340	.02	60	39,340	.02	10,030	25.5
Home Canning Supplies	$ 104,800	$ 85,890	.04	82	−19.9	−20.5	$ 130,780	$ 108,010	.05	83	65,000	.04	23,400	36.0
Caps, Lids, Bands	56,720	49,180	.02	87	−18.7	−18.9	69,770	60,640	.03	87				
Jars	48,080	36,710	.02	76	−21.2	−22.5	61,020	47,360	.02	78				
Pesticides	$ 385,790	$ 266,090	.11	69	6.0	6.5	$ 364,080	$ 249,880	.11	69	190,000	.10	65,550	34.5
Aerosol	259,290	181,020	.08	70	6.7	6.9	243,010	169,340	.07	70				
Liquids (non-aerosol)	50,780	35,900	.01	71	7.4	8.1	47,280	33,210	.01	70				
Pastes, Solids, Strips	35,230	24,190	.01	69	−3.4	−3.2	36,470	24,990	.01	69				
Personal Insect Repellents	40,490	24,970	.01	62	8.5	11.8	37,320	22,340	.01	60				
Waxes & Polishes	$ 386,340	$ 296,470	.12	77	2.4	3.2	$ 377,490	$ 287,270	.12	76	210,000	.11	60,690	28.9
Furniture Polish	225,570	172,100	.07	76	3.8	5.2	217,310	163,590	.07	75	122,400	.07	34,760	28.4
Liquid Floor Wax	7,200	4,220	.00	59	−6.1	−5.9	7,660	4,480	.00	58	87,600	.05	25,930	29.6
Paste Floor Wax	5,230	3,430	.00	66	.6	.7	5,200	3,400	.00	65				
Self-Polishing Floor Wax	148,340	116,720	.05	79	.7	.8	147,310	115,800	.05	79				
Other Household Supplies	$ 2,192,670	$ 1,071,240	.44	49	6.1	8.0	$ 2,067,090	$ 992,020	.43	48	560,000	.31	195,190	34.8
Charcoal Briquets	349,140	303,690	.13	87	7.8	9.4	323,880	277,600	.12	86	158,500	.09	37,130	23.4
Fireplace Logs	65,120	42,790	.02	66	−12.9	−9.8	74,770	47,440	.02	63	22,340	.01	6,480	29.0
Charcoal Lighter	123,440	88,570	.04	72	5.3	6.4	117,220	83,240	.04	71	46,230	.03	12,300	26.6
Electric Light Bulbs[39]	963,670	420,880	.17	44	11.6	11.8	863,500	376,460	.16	44	220,990	.12	92,800	42.0
Electric Christmas Bulbs & Sets	236,110	27,560	.01	12	−3.3	− .9	244,170	27,810	.01	11	14,390	.01	6,480	45.0
Household Tints & Dyes	45,990	4,180	.00	9	.8	.9	45,620	4,140	.00	9	2,180	.00	920	42.2
Boxed Matches	28,480	19,070	.01	67	2.1	2.2	27,900	18,660	.01	67	9,500	.01	2,850	30.0
Household Glue	22,180	3,100	.00	14	4.4	2.9	21,250	3,010	.00	14	1,600	.00	610	38.1
Shoe Polish	224,130	69,110	.03	31	.5	.5	222,980			31	36,070	.02	14,610	40.5
White Shoe Polish	11,340	69,110	.03	32	.8	.5	11,250	68,770	.03	32				
All Other Shoe Polish	212,790				.5		211,730							
Gloves	134,400	92,290	.04	69	6.8	8.7	125,800	84,890	.04	67	48,200	.03	20,970	43.5
Household Gloves	53,510	19,890	.01	37	6.3	8.4	50,340	18,350	.01	36				
Rubber Gloves	80,890	72,400	.03	89	7.2	8.8	75,460	66,540	.03	88				
Household Supplies, n.c.e.	$ 159,700	$ 77,470	.03	49	−4.7	−4.7	$ 167,580	$ 81,290	.04	49	50,000	.03	15,000	30.0
Paper, Plastic, Foil Products	$ 9,434,610	$ 8,061,850	3.34	85	4.8	4.3	$ 8,999,550	$ 7,729,020	3.35	86	5,937,000	3.25	1,139,080	19.2
Cleansing & Facial Tissue	754,600	665,550	.28	88	5.4	5.7	715,940	629,660	.27	88	489,840	.27	90,620	18.5

---

36 Includes soap cakes and pads. Excludes plastics.

37 Chemical heavy duty household cleaners for walls, woodwork and floors. Excludes liquids.

38 Includes borax, water softeners and similar items.

39 200 watt and under including non-residential use. Grocery store sales estimated at 70% of residential.

SPENDING FOR HOUSEHOLD, PET, TOBACCO PRODUCTS—continued

(add 000 to all dollar figures) PRODUCTS	1983				Percentage Change From '82 to '83		1982				1983 Supermarket Performance			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Total[1]	Grocery[2]	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro.[2] to Total	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin
Coffee Filters	68,210	63,310	.03	93	12.7	13.2	60,520	55,930	.02	92	46,600	.02	12,120	26.0
Disposable Diapers	2,386,920	1,758,490	.73	74	12.8	11.1	2,116,070	1,582,800	.69	75	1,294,250	.71	143,660	11.1
Pre-Moistened Wipes	100,740	81,600	.03	81	23.3	23.6	81,700	66,020	.03	81	60,060	.03	16,700	27.8
Paper Cups[40]	341,960	269,540	.11	79	4.1	4.6	328,490	257,680	.11	78	198,380	.11	60,900	30.7
Paper Plates	466,610	372,270	.15	80	5.2	5.8	443,550	351,860	.15	79	273,990	.15	88,770	32.4
Paper Towels	1,471,390	1,359,200	.56	92	.5	.8	1,464,070	1,348,410	.58	92	1,000,370	.55	185,100	18.5
Toilet Paper	2,127,970	2,025,590	.84	95	.7	1.0	2,113,180	2,005,530	.87	95	1,420,830	.78	260,100	18.3
Freezer Paper	18,200	15,110	.01	83	.6	.8	18,100	14,990	.01	83	11,120	.01	3,560	32.0
Paper Napkins	387,240	365,970	.15	95	.5	.7	385,310	363,420	.16	94	269,350	.15	61,410	22.8
Sandwich Bags	7,420	6,760	.00	91	1.2	1.5	7,330	6,660	.00	91	4,980	.00	1,470	29.5
Shelf Paper	1,860	1,220	.00	65	−4.8	−4.1	1,960	1,270	.00	65	890	.00	250	28.0
Waxed Paper	41,050	35,290	.01	86	.2	.3	40,970	35,190	.02	86	25,970	.01	5,040	19.4
Other Paper Products[41]	138,080	40,540	.02	29	2.2	2.4	135,110	39,590	.02	29	29,840	.02	8,060	27.0
Household Aluminum Foil	415,990	371,500	.15	89	2.8	2.7	404,660	361,730	.16	89	293,420	.16	56,340	19.2
Plastic Film Wraps & Bags	706,360	629,930	.26	89	3.5	3.6	682,610	608,280	.26	89	517,110	.28	144,980	28.0
Plastic Bags	501,860	444,850	.18	89	1.7	1.8	493,260	437,030	.19	89	400,750	.22	115,660	28.9
Garbage Disposal	295,340	260,060	.11	88	3.0	3.1	286,740	252,240	.11	88	241,400	.13	71,210	29.5
All Other Plastic Bags	206,520	184,790	.08	89	2.6	2.5	201,290	180,280	.08	90	159,350	.09	44,450	27.9
Plastic Film Wraps[42]	204,500	185,080	.08	91	5.3	5.1	194,580	175,760	.08	90	116,360	.06	29,320	25.2
Pet Foods[43]	**$ 5,503,680**	**$ 5,062,820**	**2.10**	**92**	**6.3**	**6.9**	**$ 5,177,700**	**$ 4,736,870**	**2.05**	**91**	**3,590,000**	**1.96**	**801,340**	**22.3**
Canned Pet Food	1,820,320	1,731,070	.72	95	4.6	5.3	1,740,090	1,644,210	.71	94	1,227,310	.67	265,080	21.6
Canned Cat Food	921,740	875,900	.36	95	8.5	9.6	849,530	799,180	.35	94	621,013	.34	132,900	21.4
Canned Dog Food	898,580	855,170	.35	95	.9	1.2	890,570	845,030	.37	95	606,310	.33	132,180	21.8
Dry Pet Food	2,544,130	2,337,710	.97	92	7.2	8.0	2,373,570	2,164,870	.94	91	1,657,920	.91	345,660	20.8
Dry Cat Food	686,740	628,260	.26	91	5.3	7.4	652,180	584,970	.25	90	445,440	.24	97,100	21.8
Dry Dog Food	1,857,380	1,709,450	.71	92	7.9	8.2	1,721,390	1,579,900	.69	92	1,212,480	.66	248,560	20.5
Semi-Moist Pet Food	517,300	474,170	.20	92	1.8	2.1	508,400	464,500	.20	91	336,180	.18	76,310	22.7
Semi-Moist Cat Food	264,090	237,650	.10	90	20.4	21.8	219,340	195,110	.08	89	168,490	.09	38,750	23.0
Semi-Moist Dog Food	253,220	236,520	.10	93	−12.4	−12.2	289,060	269,390	.12	93	167,690	.09	37,560	22.4
Pet Snacks	308,250	291,260	.12	94	9.9	10.7	280,480	263,110	.11	94	206,500	.11	66,490	32.2
Cat Litter	313,680	228,610	.09	73	14.0	14.2	275,160	200,180	.09	73	162,080	.09	47,800	29.5
Tobacco Products	**$ 22,658,030**	**$ 9,900,850**	**4.11**	**44**	**14.0**	**15.3**	**$ 19,883,050**	**$ 8,588,490**	**3.72**	**43**	**6,930,000**	**3.79**	**1,016,430**	**14.7**
Cigarettes	20,906,750	9,341,270	3.88	45	14.9	15.9	18,199,190	8,059,770	3.49	44				
Filter-Tipped	19,538,410	9,341,270	3.88	48	15.4	15.9	16,931,030	8,059,770	3.49	48	6,814,450	3.73	988,100	14.5
Other Cigarettes	1,368,350				7.9		1,268,160							
Cigars	695,930	86,960	.04	12	.3	.4	693,849	86,610	.04	12	45,040	.02	10,990	24.4
Tobacco & Snuff	1,055,350	472,620	.20	45	6.6	6.9	990,010	442,110	.19	45	70,500	.04	17,340	24.6
Other Groceries n.c.e.	809,090	766,190	—	—	—	—	1,551,230	1,394,420	—	—	—	—	—	—
Total Nonfood Groceries	**$ 50,865,670**	**$ 33,249,390**	**13.80**	**65**	**7.5**	**6.2**	**$ 47,338,640**	**$ 31,298,870**	**13.57**	**66**	**23,067,200**	**12.62**	**4,485,300**	**19.4**
Total Foods & Grocery Products	**$340,678,870**	**$218,470,620**	**90.64**	**64**	**4.2**	**4.9**	**$326,904,610**	**$208,358,230**	**90.34**	**64**	**164,644,440**	**90.04**	**40,829,150**	**24.8**

WHAT CONSUMERS SPEND FOR GENERAL MERCHANDISE, HEALTH & BEAUTY AIDS

(add 000 to all dollar figures) PRODUCTS	1983				Percentage Change From '82 to '83		1982				1983 Supermarket Performance			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Total[1]	Grocery[2]	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro.[2] to Total	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin
Health & Beauty Aids (non-Rx)	**$ 25,798,089**	**$ 9,589,600**	**3.98**	**37**	**8.4**	**4.1**	**$ 23,800,760**	**$ 9,213,340**	**3.99**	**39**	**7,585,490**	**4.15**	**2,016,760**	**26.6**
Dieting Aids	235,400	65,920	.03	28	−1.2	−1.6	238,230	67,000	.03	28	53,450	.03	18,440	34.5
Metered Calorie Products	31,000	12,320	.01	40	−1.8	−1.2	31,570	12,470	.01	39				
Reducing Preparations	204,390	53,600	.02	28	−1.1	−1.7	206,660	54,530	.02	26				
Cosmetics	$ 3,981,400	$ 494,190	.21	12	17.8	20.3	$ 3,378,990	$ 410,480	.18	12	380,530	.21	150,940	39.7
Eye Makeup Products	2,180,510	420,770	.17	19	20.8	22.6	1,805,240	343,170	.15	19	309,000	.17	122,050	39.5
Mascara	780,310	152,650	.06	20	22.2	24.7	638,550	122,410	.05	19				
Eyebrow Pencil	189,260	36,740	.02	19	17.3	18.6	161,350	30,980	.01	19				
Eye Shadow	993,340	189,170	.08	19	21.4	23.1	818,240	153,670	.07	19				
Other Eye Preparations & Accessories[44]	217,600	42,210	.02	19	16.3	16.9	187,100	36,110	.02	19				
Lipstick	1,087,600	38,280	.02	4	21.3	15.5	896,620	33,140	.01	4	29,840	.02	12,050	40.4
Makeup Bases	576,840	29,020	.01	5	5.8	3.0	545,300	28,170	.01	5	36,970	.02	14,860	40.2
Cake	58,920	3,200	.00	5	4.1	2.2	56,600	3,130	.00	6				
Lotion	341,500	17,630	.01	5	6.6	3.2	320,360	17,000	.01	5				
Cream	176,420	8,190	.00	5	4.8	2.9	168,340	7,960	.00	5				
Pressed Cake Powder & Blush	136,450	6,130	.00	4	3.5	2.1	131,840	6,010	.00	5	4,720	.00	1,980	42.0
Nail Care Products	**$ 461,670**	**$ 80,790**	**.03**	**17**	**14.4**	**11.8**	**$ 403,610**	**$ 72,240**	**.03**	**18**	63,820	.03	26,800	42.0
Manicure Implements	132,180	33,940	.01	26	8.7	5.2	121,600	32,260	.01	27				
Nail Polish & Enamel	275,450	35,300	.01	13	17.6	18.3	234,230	29,890	.01	13				
Nail Polish Remover	54,040	11,490	.00	21	13.1	13.9	47,780	10,090	.00	21				
Skin Care Products	**$ 1,468,400**	**$ 344,600**	**.14**	**23**	**7.2**	**7.8**	**$ 1,370,380**	**$ 319,770**	**.14**	**23**	**273,270**	**.15**	**77,750**	**28.5**

---

[40] Includes plastic and other non-paper disposables.

[41] Excludes aluminum or plastic which are listed separately below.

[42] Consumer size packages for household use only.

[43] Pet accessories listed under General Merchandise.

n.c.e. Not classified elsewhere.

[44] Includes false eyelash adhesives, liners, brushes, tweezers, etc. Excludes lotions and washes.

— Not Available

HIGH LIGHTS

SPENDING FOR GM/HBA—continued

(add 000 to all dollar figures) PRODUCTS	1983				Percentage Change From '82 to '83		1982				1983 Supermarket Performance			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[3] to Total	Total[1]	Grocery[2]	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro.[3] to Total	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin
Face Cream	675,480	135,350	.06	20	8.2	9.4	624,290	123,720	.05	20	239,580	.13	69,000	28.8
Face Lotions & Astringents	111,830	12,420	.01	11	10.3	11.8	101,390	11,110	.00	11				
Hand Creams	24,550	5,890	.00	24	6.1	8.9	23,140	5,410	.00	23				
Hand & Body Lotions	301,150	116,890	.05	39	5.6	7.3	285,180	108,940	.05	38				
Liquid Facial Cleansers	104,210	28,880	.01	28	4.2	4.6	100,010	27,610	.01	28				
Suntan/Sunscreen Products	220,580	36,620	.02	17	6.2	4.3	207,700	35,110	.02	17	27,280	.01	6,960	25.5
Lip Protectors	30,590	8,550	.00	28	6.7	8.6	28,670	7,870	.00	27	6,410	.00	1,790	27.9
Hair Products[45]	**$ 3,622,370**	**$ 1,411,570**	**.59**	**39**	**5.1**	**6.2**	**$ 3,445,510**	**$ 1,329,370**	**.58**	**39**	**1,093,970**	**.59**	**345,440**	**31.6**
Coloring Preparations	566,180	83,730	.03	15	6.0	5.0	533,970	79,730	.03	15	65,300	.04	17,110	26.2
Rinses	89,520	15,970	.01	18	8.4	5.5	82,580	15,140	.01	18				
Tints & Dyes	476,660	67,760	.03	14	5.6	4.9	451,380	64,590	.03	14				
Cream Rinses	150,420	82,210	.03	55	4.2	4.8	144,350	78,450	.03	54	68,150	.04	19,220	28.2
Dandruff Rinses	16,030	5,720	.00	36	1.6	1.2	15,780	5,660	.00	36				
Men's Hair Dressings	116,700	57,080	.02	49	3.3	3.3	113,010	55,240	.02	49	41,100	.02	12,120	29.5
Aerosol	37,110	16,190	.01	44	4.7	3.9	35,440	15,590	.01	44				
Other Men's Hair Dressings	79,590	40,890	.02	51	2.6	3.1	77,570	39,660	.02	51				
Shampoos	1,169,710	701,600	.29	60	7.3	8.6	1,090,330	646,310	.28	59	543,740	.30	160,760	29.6
Medicated Shampoo	289,530	152,530	.06	53	7.8	10.3	268,580	138,280	.06	51				
Baby Shampoo	84,130	56,850	.02	68	7.6	8.4	78,190	52,450	.02	67				
Color Shampoo	17,440	4,080	.00	23	1.1	1.7	17,250	4,010	.00	23				
Other Shampoo	778,610	488,150	.20	63	7.2	8.1	726,310	451,570	.20	62				
Women's Hair Spray	302,570	139,820	.06	46	6.2	6.6	284,910	131,170	.06	46	110,450	.06	30,260	27.4
Waveset Preparations	23,830	6,590	.00	28	26.0	17.8	18,910	5,590	.00	30	5,110	.00	1,490	29.2
Women's Hair Dressings & Conditioners	258,190	117,790	.05	46	−3.6	−3.2	267,830	121,690	.05	45	91,300	.05	24,100	26.4
Other Hair Dressings	45,420	11,610	.00	26	5.7	8.2	42,970	10,730	.00	25	9,200	.01	2,670	29.0
Barrettes	80,140	10,010	.00	12	.6	4.4	79,660	9,590	.00	12	137,950	.07	71,460	51.8
Bobby Pins	41,430	10,630	.00	26	1.2	.6	40,940	10,560	.00	26				
Combs	144,960	15,780	.01	11	7.9	6.2	134,340	14,860	.01	11				
Curlers & Rollers	145,200	27,840	.01	19	2.7	1.2	141,380	27,510	.01	19				
Hair Brushes	281,940	91,550	.04	32	8.3	11.3	260,330	82,250	.04	32				
Hair Nets	37,700	4,230	.00	11	3.9	4.5	36,290	4,050	.00	11				
Pin Curl Clips	27,910	9,590	.00	34	1.8	.7	27,410	9,520	.00	35				
Pony Tailers	72,970	8,370	.00	11	5.8	2.9	68,970	8,130	.00	12				
Home Permanent Kits, Refills	141,100	27,430	.01	19	−2.1	−3.2	144,120	28,340	.01	20	21,670	.01	6,250	28.8
Health Aids	$ 981,500	$ 444,750	.18	45	6.8	8.2	$ 919,250	$ 411,000	.18	45	364,700	.20	120,850	33.1
Baby Oils & Lotions	106,080	83,020	.03	78	4.6	5.2	101,410	78,920	.03	78	68,100	.04	20,770	30.5
Baby Pants	104,590	17,180	.01	16	3.2	.8	101,350	17,050	.01	17	14,090	.01	6,340	45.0
Baby Powder	87,760	43,360	.02	49	5.1	3.3	83,500	41,970	.02	50	35,550	.02	9,420	26.5
Diaper Rash Products	30,240	16,020	.01	53	13.2	14.8	26,710	13,960	.01	52	13,130	.01	3,940	30.0
Cotton Swabs	76,070	45,080	.02	59	11.3	13.4	68,340	39,750	.02	58	36,950	.02	11,200	30.3
Fever Thermometers	29,030	9,630	.00	33	12.6	14.2	25,780	8,430	.00	33	7,850	.01	3,180	40.5
First Aid Products	460,800	200,050	.08	43	6.7	9.1	431,680	183,340	.08	42	164,110	.09	57,100	34.8
Adhesive Tape[46]	64,800	35,360	.02	56	5.9	8.1	61,190	33,630	.01	55				
Cotton Balls	67,860	24,510	.01	36	2.9	3.7	65,950	23,630	.01	36				
Other First Aid Cotton	30,320	12,700	.01	42	1.8	1.6	29,780	12,500	.01	42				
Gauze Bandages	40,740	9,730	.00	24	3.8	5.7	39,240	9,210	.00	23				
Adhesive Bandgages	170,940	86,220	.04	50	12.8	15.9	151,540	74,390	.03	49				
Gauze dressings	46,840	10,020	.00	21	5.7	6.6	44,310	9,400	.00	21				
First Aid Kits	39,300	20,520	.01	52	−.9	−.3	39,660	20,580	.01	52				
Nipples & Pacifiers	26,760	11,690	.00	44	13.7	16.2	23,540	10,060	.00	43	9,580	.01	3,400	35.5
Nursing Bottles	28,010	5,230	.00	19	7.5	10.2	26,060	4,750	.00	18	4,290	.00	1,520	35.4
Glass	5,680	700	.00	12	4.8	.9	5,420	700	.00	13				
Plastic	22,320	4,530	.00	20	8.2	11.8	20,630	4,050	.00	20				
Disposable Bottle Liners	32,180	13,490	.01	42	4.2	5.6	30,890	12,770	.01	41	11,050	.01	3,980	36.0
Feminine Hygiene Products	**$ 1,337,800**	**$ 807,010**	**.33**	**60**	**9.2**	**9.3**	**$ 1,224,970**	**$ 738,370**	**.32**	**60**	**613,330**	**.34**	**131,950**	**21.5**
Douches	48,000	17,710	.01	36	9	1.1	48,560	17,510	.01	36	18,030	.01	5,590	31.0
Liquid Douches	29,510	9,650	.00	33	1.1	1.4	29,190	9,520	.00	33				
Powder Douches	19,490	8,050	.00	41	.6	.8	19,370	7,990	.00	41				
Sanitary Napkins	900,640	563,230	.23	63	10.6	10.7	814,320	508,790	.22	62	428,050	.23	88,730	20.7
Tampons	388,160	226,070	.09	58	7.2	6.6	362,090	212,070	.09	59	167,250	.09	37,630	22.5
Personal Cleanliness Items	**$ 153,000**	**$ 32,740**	**.01**	**21**	**2.2**	**2.5**	**$ 150,760**	**$ 31,940**	**.01**	**21**	**25,880**	**.01**	**8,120**	**31.4**
Bath Salts, Tablets, Oils, Bubble Bath	93,710	25,260	.01	27	3.1	3.0	90,890	24,530	.01	27	19,950	.01	6,420	32.2
Bubble Bath	44,490	16,030	.01	36	3.0	2.6	43,200	15,620	.01	36				
Other Salts, Tablets, Oils	49,220	9,240	.00	19	3.2	3.7	47,690	8,910	.00	19				
Talcum, Body Powder	60,290	7,480	.00	12	.7	.9	59,870	7,410	.00	12	5,910	.00	1,700	28.8
Infant Formulas	$ 980,810	$ 829,480	.34	85	13.6	14.2	$ 863,460	$ 726,600	.32	84	588,740	.32	51,220	8.7
Hypoallergenic Formulas[47]	221,250	188,390	.08	85	14.6	15.4	193,060	163,250	.07	85				
Routine Infant Formulas	759,560	641,090	.27	84	13.3	13.8	670,390	563,350	.24	84				
Oral Hygiene Products	**$ 2,018,120**	**$ 1,084,930**	**.45**	**54**	**6.8**	**6.7**	**$ 1,890,320**	**$ 998,310**	**.43**	**53**	**847,330**	**.46**	**185,820**	**21.9**

---

[45] Excludes products sold for professional use

[46] Plastic and fabric rolls and spools only

[47] Includes soy isolate formulas

HIGH LIGHTS

SPENDING FOR GM/HBA—continued

(add 000 to all dollar figures)

PRODUCTS	1983				Percentage Change From '82 to '83		1982				1983 Supermarket Performance			
	Value¹ of Total Domestic Consumption	Amount Spent in Grocery Stores²	% of Total Store	% Gro² to Total	Total¹	Grocery²	Value¹ of Total Domestic Consumption	Amount Spent in Grocery Stores²	% of Total Store	% Gro.² to Total	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin
Denture Products	278,500	114,580	.05	41	9.3	11.5	254,710	102,810	.04	40	90,060	.05	24,500	27.2
Denture Adhesives	128,140	45,880	.02	36	7.9	8.8	118,760	42,170	.02	36				
Denture Cleansers	150,360	68,710	.03	46	10.6	13.3	135,950	60,640	.03	45				
Mouthwashes & Gargles	445,130	228,380	.09	51	6.1	9.5	419,540	208,570	.09	50	179,300	.10	39,800	22.2
Breath Fresheners[48]	17,720	9,250	.00	52	11.8	11.4	15,850	8,300	.00	52	7,140	.00	2,390	33.5
Toothbrushes	256,060	82,340	.03	32	11.8	13.2	229,040	72,730	.03	32	64,970	.04	23,060	35.5
Toothpaste	961,030	626,130	.26	65	4.7	6.9	917,890	585,710	.25	64	500,840	.27	94,150	18.8
Tooth Powder	3,150	1,140	.00	36	−1.0	− .9	3,180	1,150	.00	36	890	.00	220	24.7
Dental Floss	56,540	23,120	.01	41	12.8	21.4	50,120	19,040	.01	38	4,130	.00	1,500	36.3
Packaged Medications	$ 5,402,890	$ 1,784,750	.74	33	16.3	12.5	$ 4,644,160	$ 1,585,970	.69	34	1,463,500	.80	378,830	25.9
Acne Preparations	166,740	30,460	.01	18	7.5	7.9	155,110	28,230	.01	18	24,900	.01	7,970	32.0
Aerosol Antiseptics	53,210	10,010	.00	19	9.3	10.1	48,680	9,090	.00	19	43,250	.02	15,350	35.5
External Antiseptics (Salves, Creams, Paste)	20,810	4,210	.00	20	7.7	8.2	19,320	3,890	.00	20				
Athlete's Foot Medications	72,750	17,560	.01	24	11.1	21.3	65,400	14,470	.01	22				
Poison Ivy Remedies	32,040	7,800	.00	24	27.2	13.8	25,190	6,850	.00	27				
Burn Remedies	46,700	13,350	.01	29	8.2	7.5	43,160	12,420	.01	29				
Antacids	370,570	183,390	.08	49	7.6	10.6	344,280	165,840	.07	48	150,000	.08	40,820	27.2
Liquid Antacids	94,140	39,570	.02	42	6.3	10.7	88,560	35,746	.02	40				
Powder Antacids	4,860	2,040	.00	42	2.6	3.1	4,740	1,980	.00	42				
Tablets, Pills, Gums, Lozenges	103,120	56,410	.02	55	10.4	13.6	93,410	49,660	.02	53				
Effervescent Antacids	168,450	85,360	.04	51	6.9	8.8	157,580	78,450	.03	50				
Cold Tablets, Capsules	489,840	249,090	.10	51	18.4	20.2	413,720	207,230	.09	50	203,520	.11	53,730	26.4
Cough Medications	1,049,080	201,100	.08	19	11.5	11.1	941,150	180,960	.08	19	171,650	.09	47,200	27.5
Cough Drops, Lozenges, Troches	306,780	69,640	.03	23	8.7	9.4	282,180	63,680	.03	23				
Cough Drops	185,490	62,170	.03	34	8.6	9.5	170,800	56,780	.02	33				
Lozenges, Troches	121,290	7,470	.00	6	8.9	8.2	111,380	6,900	.00	6				
Syrups, Elixirs, Expectorants	478,340	96,140	.04	20	16.6	14.3	410,240	84,110	.04	21				
Salves, Ointments[49]	53,200	19,310	.01	36	6.2	6.4	50,090	18,150	.01	36				
Other Cough & Cold Remedies[50]	210,760	16,010	.01	8	6.1	6.6	198,640	15,020	.01	8				
Nasal Sprays	148,350	18,040	.01	12	11.3	11.5	133,290	16,180	.01	12	15,590	.01	4,430	28.4
Nose Drops	9,760	1,060	.00	11	5.2	.7	9,280	1,050	.00	11				
Analgesics	1,762,990	758,940	.31	43	10.4	11.2	1,596,480	682,410	.30	43	617,910	.34	140,620	22.8
Internal Analgesics[51]	1,638,690	723,510	.30	44	10.8	11.2	1,479,540	650,460	.28	44	588,960	.32	132,520	22.5
Regular Strength	577,330	244,490	.10	42	8.6	8.8	531,610	224,720	.10	42				
Extra Strength	708,790	339,860	.14	48	12.2	12.8	631,720	301,300	.13	48				
Pediatric	97,120	39,430	.02	41	9.5	10.2	88,690	35,780	.02	40				
Arthritic	75,600	23,110	.01	31	13.5	12.2	66,610	20,600	.01	31				
Menstrual	49,760	22,360	.01	45	15.8	17.6	42,970	19,010	.01	44				
Sinus	130,090	54,250	.02	42	10.3	10.6	117,940	49,050	.02	42				
External Analgesics	124,310	35,430	.01	29	6.3	10.9	116,940	31,950	.01	27	28,950	.02	8,100	28.0
Salves, Ointments, Balms	124,310	35,430	.01	29	6.3	10.9	116,940	31,950	.01	27				
Diarrhea Remedies	94,250	48,760	.02	52	8.1	8.8	87,190	44,820	.02	51	39,840	.02	10,920	27.4
Hemorrhoidal Medications	157,370	43,730	.02	28	10.1	11.4	142,970	39,280	.02	27	35,700	.02	9,890	27.7
Suppositories	92,640	26,230	.01	28	10.7	12.2	83,690	23,360	.01	28				
Ointments	64,740	17,500	.01	27	9.2	10.1	59,280	15,700	.01	27				
Laxatives	503,830	112,290	.05	22	8.8	11.2	463,000	100,990	.04	22	91,740	.05	27,610	30.1
Tablets, Pills, Gums	138,930	45,570	.02	33	6.9	10.6	129,960	41,200	.02	32				
Milk of Magnesia Liquids	53,900	17,530	.01	33	2.9	4.4	52,390	16,790	.01	32				
Milk of Magnesia Tablets	10,840	5,600	.00	52	9.3	10.2	9,920	5,080	.00	51				
Mineral Oil	17,270	11,490	.00	44	4.7	5.9	16,490	10,850	.00	44				
Mineral Oil Emulsions	25,900				5.2		24,620							
Saline Preparations	11,310	1,310	.00	12	3.9	3.3	10,870	1,290	.00	12				
Bulk-Type Laxatives	118,970	16,320	.01	14	15.1	28.3	103,360	12,720	.01	12				
Stool Softeners	90,840	6,630	.00	7	11.5	16.3	81,470	5,700	.00	7				
Other Liquid Laxatives	35,860	7,850	.00	22	5.8	6.3	33,900	7,390	.00	22				
Eye Lotions, Washes	96,000	41,810	.02	44	9.5	10.3	87,670	37,910	.02	43	34,150	.02	9,390	27.5
Contact Lens Solutions	279,390	23,690	.01	8	23.5	34.2	226,230	17,650	.01	8	19,350	.01	6,580	34.0
Sleeping Aids (non-Rx)	46,210	19,460	.01	40	14.9	16.5	41,960	16,700	.01	40	15,900	.01	4,320	27.2
Vitamins & Tonics[52]	$ 1,293,960	$ 477,810	.20	37	11.4	16.2	$ 1,161,540	$ 411,220	.18	35	391,830	.02	143,000	36.5
Shaving Products	1,583,580	544,340	.23	34	7.8	7.5	1,469,280	506,560	.22	34	430,830	.21	118,630	27.6
After Shave Lotions	270,050	88,960	.04	33	7.4	8.3	251,450	82,150	.04	33	70,800	.04	21,030	29.7
Depilatories	24,080	7,910	.00	33	7.4	9.3	22,420	7,240	.00	32	6,290	.00	1,890	30.0
Pre-Shave Products	24,260	9,870	.00	41	7.5	7.8	22,560	9,150	.00	41	7,850	.00	2,320	29.5
Razor Blades[53]	637,580	299,260	.12	47	4.2	4.6	611,880	286,100	.12	47	236,240	.13	63,880	27.0
Razors	41,790	14,030	.01	35	−11.1	−12.4	47,010	16,700	.01	36	11,120	.01	3,150	28.3
Shaving Cream	227,420	101,510	.04	45	18.7	19.4	191,660	84,990	.04	44	79,700	.04	21,040	26.4
Aerosol Shaving Cream	222,670	100,480	.04	45	19.2	19.7	186,800	83,940	.04	45				
Non-Aerosol Shaving Cream	4,750	1,030	.00	22	−2.1	−2.0	4,860	1,050	.00	22				
Men's Cologne	358,390	22,200	.01	6	11.2	9.8	322,290	20,220	.01	6	18,030	.01	5,320	29.5

[48] Liquids and sprays only.

[49] Excludes analgesics.

[50] Includes antihistamines, room decongestants, inhaler tubes and other inhalants.

[51] Includes non-aspirin compounds.

[52] Total consumption excludes doctors' prescriptions and sales at equivalent retail prices to hospitals. Total vitamin market estimated by industry sources at $1.96 billion in 1983.

[53] Includes disposable razors.

HIGH LIGHTS

SPENDING FOR GM/HBA—continued

(add 000 to all dollar figures)

PRODUCTS	1983 Value[1] of Total Domestic Consumption	1983 Amount Spent in Grocery Stores[2]	1983 % of Total Store	1983 % Gro[2] to Total	Percentage Change From '82 to '83 Total[1]	Percentage Change From '82 to '83 Grocery[2]	1982 Value[1] of Total Domestic Consumption	1982 Amount Spent in Grocery Stores[2]	1982 % of Total Store	1982 % Gro.[2] to Total	1983 Supermarket Performance Amount Spent in Supermarkets	1983 Supermarket Performance % of Total Supermarket	1983 Supermarket Performance $ Margin	1983 Supermarket Performance % Margin
Personal Deodorants, Antiperspirants	$ 993,780	$ 530,970	.22	53	12.5	14.1	$ 883,550	$ 465,200	.20	53	419,460	.23	110,740	26.4
Sticks	332,690	200,720	.08	50	24.1	23.4	268,080	162,560	.07	61				
Roll-Ons	302,040	133,500	.06	44	4.2	6.3	289,870	125,590	.05	43				
Feminine Sprays	7,870	3,770	.00	48	.9	1.2	7,800	3,720	.00	48				
Other Aerosols (Including Powder)	351,180	192,980	.08	55	10.5	11.4	317,810	173,230	.08	55				
Other Health & Beauty Aids	$ 1,282,430	$ 655,730	—	—	—	—	$ 2,228,220	$ 1,139,330			—		—	—
Prescriptions	$ 17,764,930	$ 1,414,480	.59	8	11.9	12.5	$ 15,875,720	$ 1,257,320	.55	8	1,414,480	.77	*	
Total HBA & Prescriptions	$ 43,563,000	$ 11,004,080	4.57	23	9.8	5.1	$ 39,676,470	$ 10,470,650	4.54	26	8,999,970	4.92	*	
Disposable Cigarette Lighters	$ 275,390	$ 109,680	.05	40	6.2	6.8	$ 259,310	$ 102,700	.04	40	88,750	.05	35,940	40.5
Flashlights & Batteries	$ 2,794,210	$ 422,280	.18	15	8.2	13.3	$ 2,582,450	$ 372,680	.16	14	375,400	.21	151,280	40.3
Flashlights	278,980	29,260	.01	10	8.2	5.9	257,830	27,630	.01	11				
Batteries	2,515,230	393,020	.16	16	8.2	13.9	2,324,610	345,060	.15	15				
Garden Seed Packets[54]	$ 137,020	$ 68,340	.03	50	−5.3	−4.9	$ 144,690	$ 71,860	.03	50	55,120	.03	26,180	47.5
Greeting Cards	$ 3,150,940	$ 309,730	.13	10	17.8	15.9	$ 2,674,820	$ 267,240	.12	10	300,000	.16	145,500	48.5
Housewares	$ 3,521,180	$ 308,760	.13	9	10.2	11.3	$ 3,196,140	$ 277,490	.12	9	2,550,000	1.39 (includes Other Housewares)	1,083,750	42.5
Bakeware	1,398,020	107,810	.04	8	7.8	9.7	1,296,860	98,280	.04	8				
Barbecue Grills	546,090	3,840	.00	1	11.5	14.2	489,770	3,360	.00	1				
Beverageware[55]	409,700	63,790	.03	16	14.1	11.4	359,070	57,260	.02	16				
Cutlery	459,390	42,300	.02	9	8.1	9.3	424,970	38,700	.02	9				
Food Preparation Glassware[55]	433,220	57,470	.02	13	15.5	16.3	375,080	49,410	.02	13				
Tableware	124,740	26,770	.01	21	9.9	10.8	113,507	24,160	.01	21				
Ornamental & Novelty Glassware[55]	150,010	6,790	.00	5	9.6	7.5	136,870	6,310	.00	5				
Other Housewares	nd	$ 2,880,530	1.20	nd	nd	4.2	nd	$ 2,764,420	1.20	nd	—	—	—	—
Magazines[56] & Newspapers[57]	$ 8,529,030	$ 1,248,800	.52	15	8.7	9.4	$ 7,849,890	$ 1,141,900	.50	15	995,400	.54	318,500	32.0
Children's Story Books	361,170	62,090	.03	17	5.3	5.2	342,990	59,020	.03	17				
Coloring Books	152,810	19,140	.01	13	5.6	5.7	144,710	18,110	.01	13				
Comics	78,420	22,800	.01	29	6.4	6.3	73,700	21,450	.01	29				
Magazines	1,965,560	968,810	.40	49	10.3	10.5	1,782,010	876,750	.38	49				
Newspapers	4,573,050	54,700	.02	1	9.5	9.7	4,176,300	49,860	.02	1				
Paperback Books	1,398,020	121,260	.05	9	5.1	3.9	1,330,180	116,710	.05	9				
Auto Supplies[58]	$ 1,794,960	$ 400,240	.17	22	−.2	−.1	$ 1,798,425	$ 400,790	.17	22	326,200	.18	117,700	36.0
Antifreeze	401,200	97,630	.04	24	2.2	1.1	392,560	96,570	.04	25				
Automobile Polish	140,130	36,200	.02	26	1.3	1.6	138,330	35,630	.02	26				
Motor Oil	1,092,240	238,220	.10	22	−.7	−.5	1,099,940	239,420	.10	22				
Motor Oil Additives	161,390	28,180	.01	17	−3.7	−3.4	167,595	29,170	.01	17				
Pet Accessories	$ 1,503,530	$ 400,900	.17	27	3.7	2.6	$ 1,450,270	$ 390,950	.17	27	340,500	.19	148,150	43.5
Bird Food	36,150	19,370	.01	54	5.2	5.3	34,360	18,390	.01	54				
Other Pet Accessories	1,467,380	381,540	.16	26	3.6	2.4	1,415,910	372,560	.16	26				
Pet Grooming Aids	60,180	12,470	.01	21	4.7	4.9	57,480	11,890	.01	21				
Feeding Bowls	11,200	2,910	.00	26	3.2	4.4	10,860	2,790	.00	26				
Flea Collars	249,890	161,150	.07	64	.9	.6	247,660	160,190	.07	65				
Other Pet Accessories[59]	1,146,110	205,010	.09	18	4.2	3.7	1,099,910	197,700	.09	18				
Records & Tapes	$ 1,917,070	$ 169,630	.07	9	2.4	4.1	$ 1,872,140	$ 162,950	.07	9	127,200	.07	50,850	40.0
Photo Supplies & Processing	$ 5,140,600	$ 763,640	.32	15	6.1	8.9	$ 4,846,080	$ 701,560	.03	14	650,500	.36	147,690	22.7
Film[60]	1,985,260	503,840	.21	25	5.1	10.3	1,888,920	456,790	.20	24				
Processing	2,941,420	208,310	.09	7	8.5	11.6	2,710,980	186,660	.08	7				
Flash Bulbs & Cubes	213,930	51,490	.02	24	−13.1	−11.4	246,180	58,120	.03	24				
Playing Cards	$ 184,240	$ 25,420	.01	14	1.2	1.3	$ 182,050	$ 25,090	.01	14	15,120	.01	5,290	35.0
Shoe Laces[61]	$ 52,520	$ 29,010	.01	55	9.2	5.5	$ 48,090	$ 27,500	.01	57	12,000	.01	3,600	30.0
Stationery	$ 578,270	$ 118,590	.05	21	4.7	2.0	552,530	116,250	.05	21	100,250	.05	44,600	44.5
Packaged Paper, Envelopes	76,800	21,820	.01	28	2.8	2.2	74,710	21,350	.01	29				
Writing Tablets, Pads	242,610	64,870	.03	27	5.3	2.4	230,400	63,350	.03	27				
Notebooks	96,950	15,940	.01	16	5.5	.9	91,890	15,800	.01	17				
Looseleaf Fillers	161,910	15,960	.01	10	4.1	1.3	155,530	15,760	.01	10				
Sunglasses	$ 910,470	$ 65,580	.03	7	3.1	3.7	$ 883,090	$ 63,240	.03	7	50,500	.03	26,000	51.5

---

54 Flower and vegetable seeds. Packets only.

55 Machine-made only.

56 Newsstand sales of weekly and monthly periodicals, digest size books, children's books, children's coloring books, pocket-size books.

nd No data available

57 Spending for newspapers in all outlets, includes newsstand sales plus home deliveries and mail subecriptions.

58 For non-commercial vehicles only.

59 Excludes pet foods (listed under grocery products) but includes leashes, cages, trays and other pet accessories not listed.

60 Excludes movie film.

61 Dress, work and athletic shoes and boots.

* Less than .005%

— Not Available

SPENDING FOR GM/HBA—continued

(add 000 to all dollar figures)

PRODUCTS	1983				Percentage Change From '82 to '83		1982				1983 Supermarket Performance			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Total[1]	Grocery[2]	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro.[2] to Total	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin
Toys[62]	$ 8,833,360	$ 198,850	.08	2	4.7	6.2	$ 8,436,830	$ 187,240	.08	2	158,700	.09	61,100	38.5
Vacuum Bottles & Jugs	$ 303,800	$ 39,810	.02	13	1.0	1.1	$ 300,800	$ 39,360	.02	13	31,840	.02	11,140	35.0
Vacuum Bottles	201,050	22,860	.01	11	1.1	1.3	198,870	22,570	.01	11				
Insulated Jugs	102,740	16,950	.01	16	.8	.9	101,930	16,800	.01	16				
Women's Hosiery	$ 3,502,870	$ 663,740	.28	19	8.4	10.3	$ 3,231,590	$ 601,930	.26	19	530,000	.29	212,000	40.0
Panty Hose	3,346,290	655,110	.27	20	9.4	10.6	3,058,770	592,320	.26	19				
Stockings	156,580	8,640	.00	6	−9.4	−10.1	172,820	9,610	.00	6				
Men's Hosiery	$ 1,218,340	$ 45,740	.02	4	6.9	9.8	$ 1,139,700	$ 41,650	.02	4	34,300	.02	14,230	41.5
Men's & Boys' Underwear	$ nd	$ 89,090	.04	nd	nd	9.3	nd	$ 81,510	.04	—	66,100	.04	22,140	33.5
Writing Implements	$ 796,720	$ 90,830	.04	11	4.2	5.4	$ 764,760	$ 86,220	.04	11	65,420	.04	29,110	44.5
Ballpoint & Fountain Pens	348,800	45,350	.02	13	4.3	6.4	334,420	42,630	.02	13				
Ballpoint Refills	56,180	5,060	.00	9	6.6	4.2	52,700	4,860	.00	9				
Broad Tip Markers	67,360	5,140	.00	8	4.1	2.9	64,710	4,990	.00	8				
Fine Line Porous Pens	220,990	26,950	.01	12	2.2	3.1	216,240	26,140	.01	12				
Mechanical Pencils	34,580	5 150	.00	15	13.5	13.7	30,470	4,530	.00	15				
Woodcased Pencils	68,810	3,180	.00	5	3.9	3.5	66,230	3,080	.00	5				
General Merchandise n.c.e.[63]	$ nd	$ 3,096,130	—	nd	—	—	nd	$ 3,887,600	—	—	—	—	—	—
Total Other General Merchandise[64]	$ nd	$ 11,545,300	4.79	nd	—	−2.3	nd	$ 11,812,120	5.12	—	2,265,700	1.24	793,000	35.0
Total General Merchandise[65]	$ nd	$ 22,549,380	9.36	nd	—	1.2	nd	$ 22,282,770	9.25	—	9,139,000	5.00	3,447,750	37.7
GRAND TOTAL	$ nd	$241,020,000	100.00	nd	—	4.5	nd	$230,641,000	100.00	—	182,783,560	100.00	46,293,660	25.5

[62] Excludes sporting goods and apparatus.

[63] Not classified elsewhere.

[64] Excludes HBA and Prescriptions.

[65] Includes prescriptions and other health and beauty aids.

* Less than .005%

— Not Available

NOTICE TO THE TRADE

WE PROMOTE QUALITY

Several times a year, Peter Paul Cadbury offers profitable promotions for its quality line of products.

To find out more about Peter Paul Cadbury's sales-stimulating promotions, contact your local supplier or write to:

Promotional Information
Peter Paul Cadbury, Inc.
Naugatuck, CT 06770

Peter Paul Cadbury®

Employers

Willing workers available now at as little as ½ your usual cost.

Under the new Job Training Partnership Act, businesses that hire and train the jobless will receive up to 50% of on-the-job training costs. And you may qualify for tax credits of up to 50% of the first year salary.

No business too large or too small.
This is your chance to get the help you've needed, but thought you couldn't afford.

Call your local private industry council or write **National Alliance of Business,** P.O. Box 7207, Washington, D.C. 20044

A Public Service of This Publication
Ad Council

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

PET NEEDS

Pet departments were filled with litter—cat box litter was a booming business. But overall sales went to the dogs; it was a stable, but unexciting year.

Either the dogs and cats of America are eating three tenths of one percent more, according to the latest consumer expenditures study figures, or there are three tenths of a percent more of them. Either way, dog and cat food sales have increased in the last year by that amount although the real news may not be in pet food at all. According to buyers for some of the nation's supermarket chains, cat box filler is where the action is.

Cat box filler which, according to manufacturers, is a low-cost, high-profit item for retailers if they can keep from running out of stock, has grown to a $200-million plus industry. Growth rate in tonnage has exceeded 10 percent annually, with sales more than double that.

Up until now, the industry leader has been Lowe's Inc., headquartered in South Bend, Indiana. According to Jeff Caton, brand manager for Kitty Litter, one of Lowe's cat box filler items, sales this year have been running eight percent over 1983, and the company enjoys a 35.4 percent market share in terms of dollars.

Lowe's manufactures two brands of cat box filler—Kitty Litter and Tidy Cat 3, both of which are scented, odor-controlling substances. Tidy Cat 3 has also recently been issued in an unscented variety. Both Lowe's products work on a moisture-activating principle and until recently were the standard by which the rest of the industry operated. If national distribution of a new brand proves as successful as test marketing, however, Kitty Litter and Tidy Cat 3 may be in for trouble.

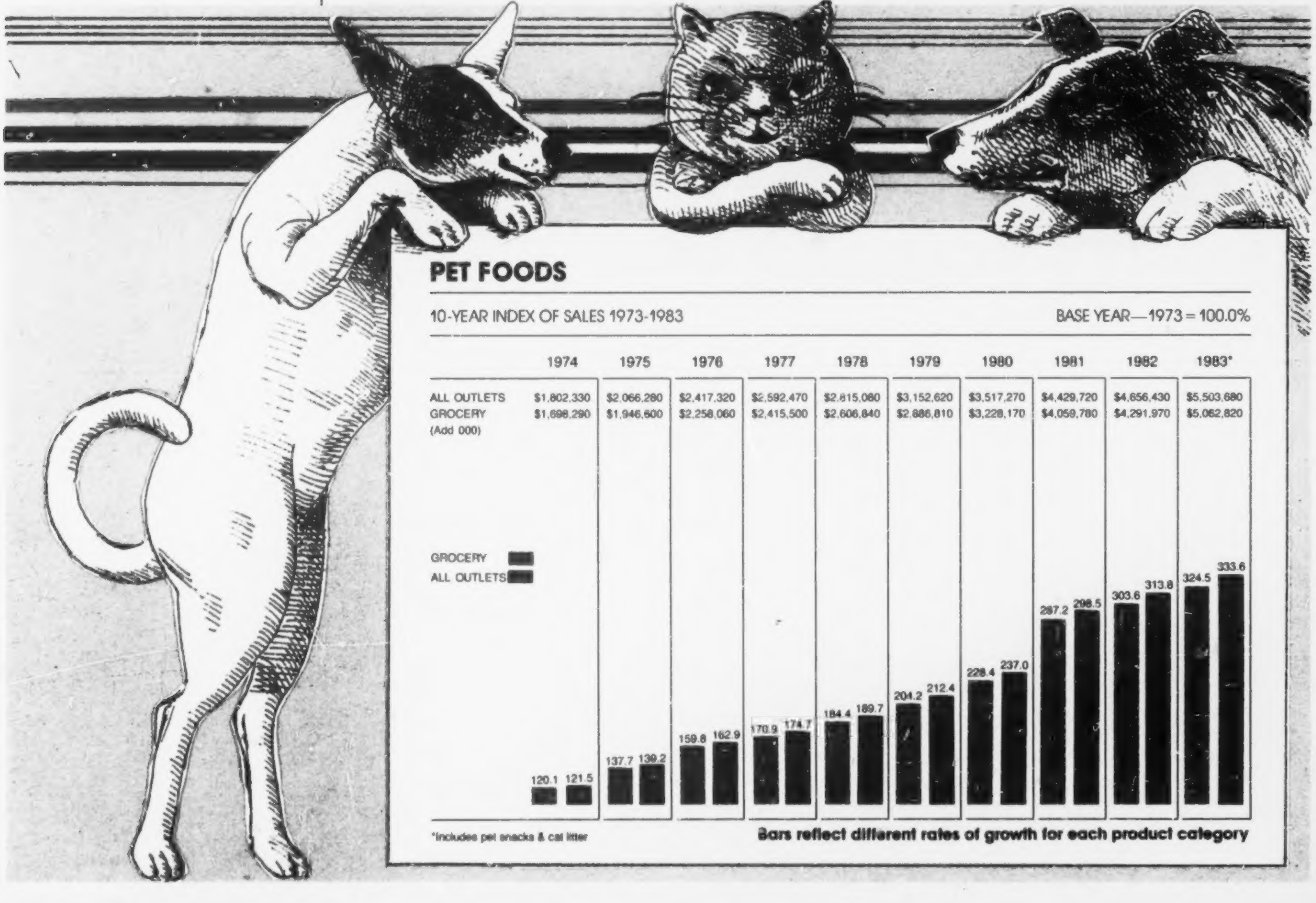
Fresh Step, distributed by Clorox Corp. (Oakland, California), is a new cat box filler that was introduced nationally in April, after test marketing mostly in Western states. According to Fred Reicker, manager, corporate communications for Clorox, the item is doing well but the company is still waiting to see what happens.

What makes Fresh Step different is a new, patented process in which "micro-encapsulated fragrance is bound to light-density clay chips," according to Reicker. The fragrance is activated when stepped upon, rather than only after it becomes moist.

The response from supers where Fresh Step was test marketed, is favorable. Dennis Ferguson, buyer for Raley's (Sacramento, Calif.), says, "This advanced cat box filler is new and selling very well." Due to space limitations, Raley's can only afford to keep on the shelves those pet products that are selling, and so far Fresh Step meets that requirement. Ferguson also believes consumers will usually try something new, so whether Lowe's is in for stiff national competition is still undecided.

The growth of the cat box filler industry may have some-

Continued on page 84



PET FOODS

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983*
ALL OUTLETS	$1,802,330	$2,066,280	$2,417,320	$2,592,470	$2,815,080	$3,152,620	$3,517,270	$4,429,720	$4,656,430	$5,503,680
GROCERY	$1,698,290	$1,946,600	$2,258,060	$2,415,500	$2,606,840	$2,886,810	$3,228,170	$4,059,780	$4,291,970	$5,062,820
(Add 000)										

*Includes pet snacks & cat litter

Bars reflect different rates of growth for each product category

DRAWING BY ROBERT STRIMBAN

Here's what they want!

A recent study printed in **THE WALL STREET JOURNAL** indicated a large interest by pet owners for *new products that prevent litter odor.*

The report, compiled by Doyle, Dane and Bernbach, Inc., stated:

"Apparently there is no product on the market that is satisfactory to cat owners . . . *SEVEN IN TEN* were very interested in litter that really absorbs all odor".

Here's what you can give them!

ODOR-SORB™
ABSORBENT LITTER LINERS

PAMPER YOUR
LITTER BOX
AND YOURSELF

Patented
Additional Pat. Pend.

- **Prevents Litter Box Odors For Up To 1 Month With Two Cats Per Litter Box**
- **Fits In Any Litter Box**
- **For Use With Any Litter**
- **Like A Disposable Diaper For Your Litter Box**
- **Rip-Proof**
- **Non-Toxic, Completely Safe**

CONTENTS: 1 LINER

Distributed by:
THE HAYNES COMPANY
1800 Water Place, Suite 280
Atlanta, GA 30339

Manufactured by:
Commercial Products Research, Inc.
P.O. BOX 870
Point Pleasant, NJ 08742

COMPLETE INSTRUCTIONS INCLUDED

0 48161 11301

For details, write or phone **The Haynes Company**
1800 Water Place, Atlanta, GA 30339 · (404) 951-0002

Continued from page 82

thing to do with changing American lifestyles, according to Caton of Lowe's. Sales of cat box filler reflect a growing interest in cats as pets, and corresponding increases in cat food sales would tend to confirm that trend. There are about 55 million pet cats in the United States and that number is growing because, as Caton puts it, "cat ownership reflects a changing lifestyle for the country. Cats require less care than dogs, they can be left alone more easily. This fits in with the increasing numbers of people who want a pet but whose schedules and lifestyles make owning a dog undesirable."

Cats cannot live on cat box filler alone, but supermarket buyers generally are not happy with sales of cat, and dog, foods.

Total pet food consumption in pounds has risen from eight billion pounds-plus to nine and a half billion since 1977, according to the Pet Food Institute in Washington, D. C. In terms of sales, pet foods at grocery stores rose from $2.45 billion in 1977 to $5.6 billion in 1983, according to latest CES figures. Recently, both dry and moist categories of cat food have shown slight increases in the number of pounds purchased. Dry cat food increased from 821 million pounds to 913 million between 1982 and 1983. Moist cat food, during the same period, went from 1.09 billion to 1.13 billion pounds.

Dry dog food also showed a slight increase in pounds purchased during this period, going from 4.7 billion pounds to 4.9 billion. Surprisingly, after a very strong showing in recent years, moist dog food showed a drop during this period of almost 100 million pounds, from 1.9 billion to 1.86 billion.

"Dry dog food is holding its own, but moist has fallen off," says Ferguson, of Raley's. John Comer, grocery buyer for Hy-Vee Food Stores (Chariton, Iowa), which has 122 locations in the Midwest, reported little activity in pet foods. "They're stagnant. Even the new ones are not doing much."

Perhaps the pets of the South are doing better. At least, Bruce Anderson, senior grocery buyer/merchandiser for Harris-Teeter Super Markets, Inc., a chain based in Charlotte, N. C. with 72 stores throughout North Carolina, South Carolina and Tennessee, says things look good for the animals. "One of my drivers said dogs and cats gotta be eating better than the young'uns on account of all the pet food deliveries," he said.

Harris-Teeter, tries to sell at barely above cost, and the competition between manufacturers is fierce, according to Anderson. In his stores the consumer response to brand promotions tends to be excellent for a short term—and then another promotion comes along. While moist cat food is doing well, Anderson notes that moist dog food is on a decline. "Mostly because of price," he adds.

Farther west, the trend away from moist food shows itself in smaller stores as well. Jack Lenz, national warehouse products manager for The Circle K Corporation, a chain of 1,217 convenience stores in Arizona, New Mexico, California, Colorado, Idaho, Montana, Oregon and Oklahoma, says shoppers are buying less moist foods but there has been an overall increase in sales. Although there have been no significant new entries into the market recently, Circle K has increased its shelf space to accommodate larger packages. "There's definitely a trend towards buying larger bags of dry dog food," Lenz says.

Like supermarket chains, Lenz sees the heavy promotional efforts on the part of manufacturers as having short-term success only. "As a company we don't advertise, but the brands do, and they are very successful as long as the product is fairly new and the promotion is heavy. When the promotion stops, so do sales," he says.

Despite slow sales, pet food manufacturers have not been idle. As noted by chain buyers, promotion has been heavy and has taken the form of television and print advertising, instore promotions and contests. Purina, for example,

Continued on page 104

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

CEREALS

New products continued to keep cereals snapping and crackling. One trend: more fruit.

Fruit, sugar and a readily recognizable "spokes-character"—though not necessarily all in the same product—again provided the cereal category with the keys to success in 1983 and this year. The category, as in previous years, popped with new products, making it what one Missouri retailer termed "one of the most flamboyant categories, perhaps matched only by pet products and cookies" in the sheer number of new products available.

Although a significant number of these new products were geared either toward the entire family or specifically toward adults, the overwhelming majority of them were in the children's pre-sweetened sub-category, which today almost inevitably means a tie-in with a licensed character.

According to a spokesperson for General Mills, children are the heaviest users of cereals, consuming almost twice as much as the next largest cereal-eating group, those 55 years and older. And consumption by the 0–13 year age group is expected to increase. By 1990, the number of children in this age range will have grown by more than 10 percent, to 53 million, according to a recent study on the ready-to-eat cereal market, undertaken by Packaged Facts, Inc. (New York).

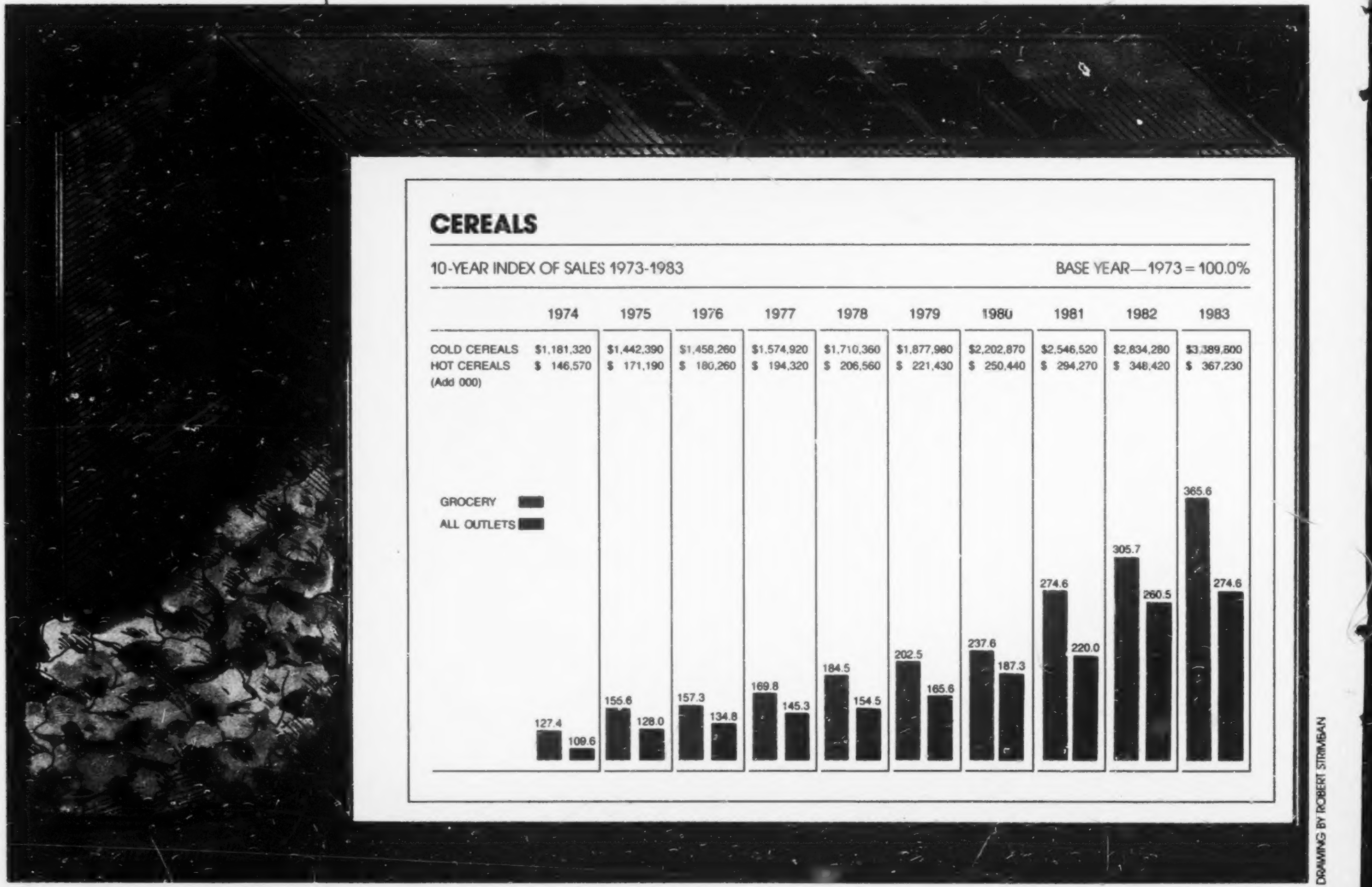
In response to this ready market, the major cereal manufacturers have concentrated predominantly on the so-called pre-sweets. During the past year new products have included: Smurf-Berry Crunch, Pac Man, Cap'n Crunch Choco Crunch, Donkey Kong and Donkey Kong Jr., E.T., Gremlins and Kellogg's Strawberry Crispies and C-3PO's. All of these "take advantage of popular images," as General Foods' Ken Defren puts it, and most of these images are film, cartoon or video-game heroes.

Despite the overall good reception that these products receive, there is, naturally, some question as to how long they will last. Hannaford Brothers' (Scarborough, Maine) cereals buyer Kathy Garfield echoes the observations of many retailers: "They usually do well for the first six to seven months, then level off—some enough so to warrant being discontinued." Across the country, in Colton, Calif., Stater Brothers' cereals buyer Tom Reingrover finds the same situation: after a heady introductory period, sales "taper off as the craze dies down."

For the manufacturers, the lifespan of these licensed-character cereals is determined not only by the obvious popularity of the figurehead character, but also by the quality of the product, which seems to be of only secondary importance to many first-time consumers. Ralston Purina's Sandy Harrington believes that "people will try things if they're new and they know the character. They'll stick with them if they're good."

Nonetheless, selecting a

Continued on page 88



CEREALS

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
COLD CEREALS	$1,181,320	$1,442,390	$1,458,260	$1,574,920	$1,710,360	$1,877,980	$2,202,870	$2,546,520	$2,834,280	$3,389,600
HOT CEREALS	$ 146,570	$ 171,190	$ 180,260	$ 194,320	$ 206,560	$ 221,430	$ 250,440	$ 294,270	$ 348,420	$ 367,230
(Add 000)										

DRAWING BY ROBERT STRIMBAN

Sales of "healthier" cereals pick up with the arrival of summer.

Continued from page 86

licensed character with the longest staying power remains a prime consideration. The Kellogg Co., more cautious than some others in this respect, introduced its first such cereal, C-3PO's, only last January. Based on the famous *Star Wars* robot, the cereal has at least a ripe middle-age guaranteed by the continuing popularity of the Star Wars series, which will doubtless include the new episodes scheduled for future film release. Quaker Oats, another Johnny-come-lately in the licensed character arena, will introduce its Mr. T cereal this month— its first such product. Says Quaker's communications specialist Marcia Watts, you have to "make sure that you have a strong character, and one that will *last.*"

Of course, a danger anytime an excess of similar products is introduced, is that the category will become overloaded. Recent new products in strawberry-flavored children's cereals resulted in just that. At Red Owl (Hopkins, Minn.), the addition of Strawberry Honeycombs, Strawberry Crispies and the enlarged size and new ad campaign of General Mills' Frankenberry resulted in a strawberry-flavored explosion—which, in turn, resulted in the slowest mover, Strawberry Shortcake, being dropped from the shelves. Says Stater Brothers' Reingrover: "We can't add an item unless we drop an item."

The current success of the pre-sweets aside, however, an area of future concern and accompanying growth will very likely lie with reduced-sugar children's cereals, and some manufacturers have already taken the first steps in that direction. Quaker Oats' Halfsies, which has been in distribution for almost two years, was recently joined by General Foods' Post Alpha Bits (100 percent aspartame-sweetened) and General Mills' Trix (with 50 percent aspartame). While the verdict on both products is still not in—both are available only in test markets with no immediate plans for national distribution—if consumer acceptance is high, the near future may see another peak in what General Foods' Defren terms the "roller coaster-like" career of the sugar issue.

It is still too soon to tell exactly how high this peak will be. Although Halfsies has not been dropped from retailers' shelves, it is far from being one of the cereal aisle's fastest movers. "We're hanging onto it mainly because it's unique," says Hannaford's Garfield. And Red Owl cereals buyer Dianne Gadd reports that 100 percent NutraSweet Post Alpha Bits has made "no big impact" in her stores.

Quaker Oats is the first to admit that Halfsies has not met original expectations. The company stresses, however, that this is due not to the use of NutraSweet, but rather to the cereal's advertising campaign. Although the cereal "has found its marketing niche," Quaker has nonetheless pulled its advertising "at least temporarily," according to Watts.

The sugar-in-cereals issue remains a touchy subject. Many retailers, who have not seen spectacular movement of the NutraSweet cereal products, believe it may be the wave of the future, but this future is not now. "Changing the sugar to NutraSweet is neither a plus nor a minus, it's simply an alternative," says Red Owl's Gadd. Hannaford's Garfield believes that there are two types of children's cereal buyers: those concerned about sugar and those who aren't, and that there is "not much cross-over" between the two groups.

At Stater Brothers, steps have already been taken to reduce the visibility of sugar, if not its actual presence. Following the lead of Kellogg, which has taken the word "sugar" out of the names of cereals such as Sugar Smacks (changed to Honey Smacks) and Sugar Frosted Flakes (now simply Frosted Flakes), the company has done the same on its private label cereals. Reasons for this middle-of-the-road approach to the sugar issue is summed up by Stater's Reingrover, who believes that although it's "too soon to tell on the question of NutraSweet [in particular], sugar in children's cereals will be an important issue."

While by no means as prolific as children's pre-sweetened cereals, adult cereals are also making advances and adding new products. The year's star ingredients were fruit and—albeit to a lesser extent—fiber. Quaker's third interim *Quaker Quarterly* notes that: "Over the past four years, the market share of fruit cereals has increased 45 percent . . . [while] growth in other ready-to-eat cereal segments has been limited to two percent."

In keeping with this growth, Quaker added Raisin Life to its line of Life cereals. Other new products featuring fruit include: Ralston Purina's Crispy Oatmeal & Raisin Chex, Nabisco's Toasted Wheat and Raisins (in May, 1983) and Kellogg's Fruitful Bran (which includes apples and dates in addition to raisins). The popularity of fruit with cereals is also promoted through special campaigns that feature these breakfast ingredients, such as Ralston Purina and the International Banana Association's joint promotion this summer.

Retailers find that sales of adult and "health-oriented" cereals—as well as those of category "standards"—are steady, though not spectacular, with "no real increases, no drastic decreases," according to Tom Reingrover (Stater Bros.).

Red Owl's Gadd notes that sales of "good-for-you" cereals pick up at the beginning of the summer season, when many people start dieting, jogging and generally concentrating on getting into shape. Raisin Bran, Raisin Life, NutriGrain and Special K (which recently underwent a nutritional, taste and packaging upgrading) enjoy especially good sales in this area.

A step beyond the more mainstream adult/healthy cereals are the all-natural, often granola-based, cereals, such as the 24 varieties manufactured by Health Valley Natural Foods. While these are holding their own, "they're certainly not setting anything on fire," reports Hannaford's Garfield. She believes this is primarily due to the relatively small portion of the population to which they appeal. On the west coast, however, where the trend toward healthier living is generally stronger, Stater Bros.' Tom Reingrover believes they would perform better if they received adequate advertising support. He cites the case of granola bars, "which have the same type of people buying

Continued on page 108

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

BABY NEEDS

Baby products are born again—growth was spurred on among the giants by diversification and new, upscale products.

As the baby "boomlet" of the 1980s continues to grow, baby needs manufacturers are expanding and improving products that have already proven popular.

New births are at 3.6 million a year and that's expected to be up to 3.8 or 3.9 million by 1990. With career-oriented mothers and two-income families delaying parenthood, 40 percent of those births are first babies. Parents and grandparents spend 10 times as much on their firstborn than they do on his or her siblings.

Gerber Products Company, which commands 70 percent of the baby food market with 168 products, is an example of a company expanding profitable lines.

"At that level, growth (in baby foods) is difficult and slow," says a spokesperson for the company. "We are in some 35,000 major supermarkets across the country and in the majority of those we are an exclusive brand."

Since introducing the highly successful chunky foods for toddlers two years ago, Gerber has done nothing spectacularly new in baby food. Under an active acquisition program Gerber has followed for the past 10 or 12 years, it is expanding into apparel and furniture. Gerber now owns Weather Tamer Inc., Buster Brown Playwear, and Bates Nite Ware (which generally manufactures for other companies under other labels). It now owns Century, maker of car seats and furniture; Bilt-Rite Company, which manufactures strollers and prams; and Oklahoma-Smith, producer of the Nod-A-Way brand of furniture. There is a definite market for these items.

Today's parents "do tend to be somewhat more affluent and able to buy more things," says the Gerber spokesperson.

Not only do families buy more for their children but they spend more on each purchase.

Gerber's baby foods—which made up 53 percent of Gerber's total sales of $805 million last year—are simply becoming a smaller part of a growing pie, according to the company.

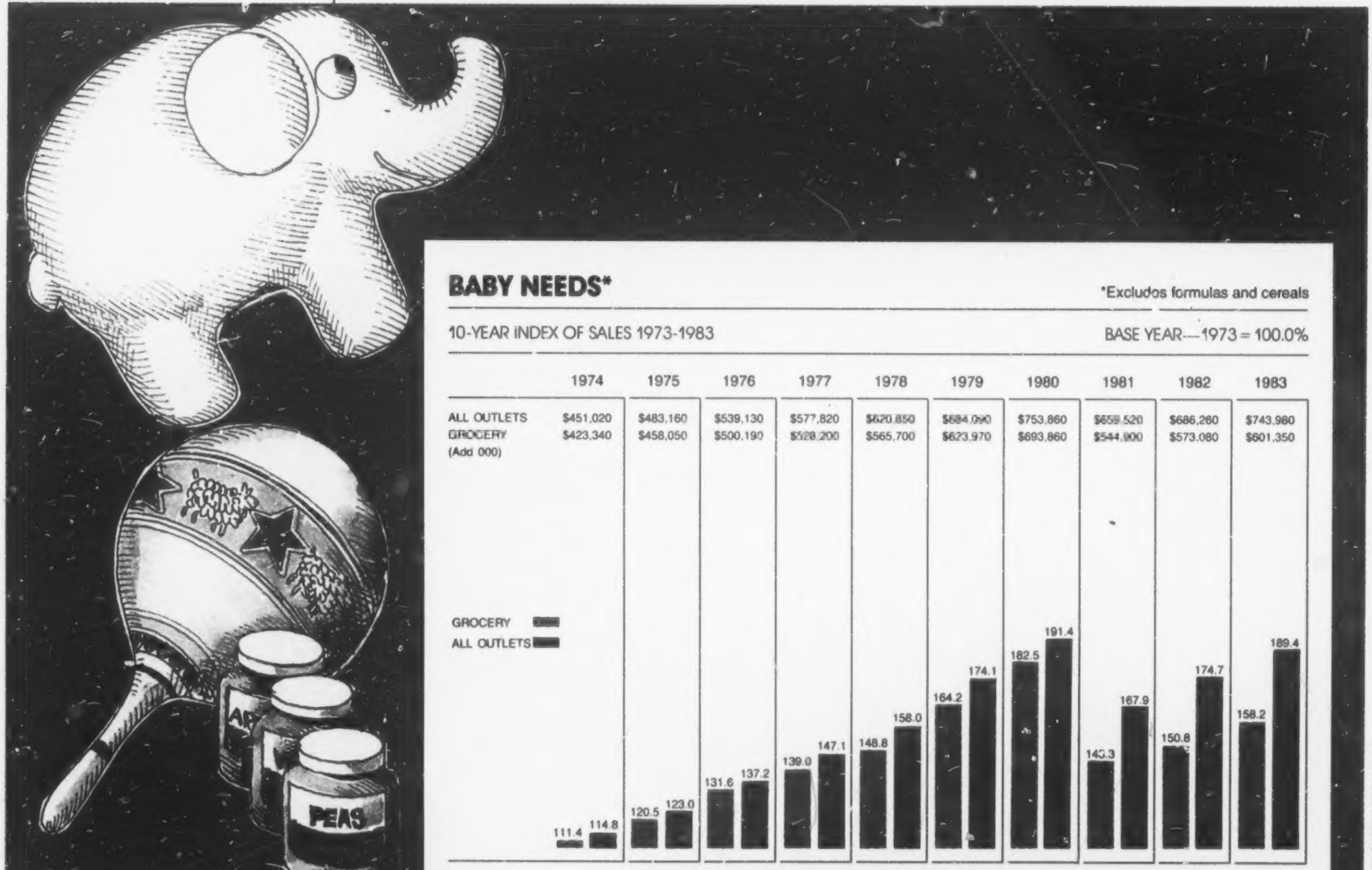
"We are encouraging major retailers—supermarkets as well as drug stores—to create baby departments," another Gerber spokesperson says, "not only for food, but also for the accessory items. It's a trend in supermarket business to put collateral products together. It's nice to have vinyl pants right down the row from baby food."

A buyer for a midwest food chain sees no new trends in baby foods since Gerber's introduction of its chunky line two years ago.

"Parents are buying on the deal," he says. "It's like anything on sale—like canned goods or frozen peas."

Appealing to such price-conscious shoppers, Heinz USA has expanded its Saver Size juice line to include another variety. The 29.4-ounce Saver Size holds seven 4.2-ounce bottles of juice but the

Continued on page 96



DRAWING BY ROBERT STRIMBAN

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

FROZEN FOODS

Sales were good, and growing for frozen foods, but still touched the tip of the iceberg: manufacturers are spurring sales with new items.

Frozen food suppliers aren't taking any chances: Despite continuing sales growth, boosted regularly it seems by new products and types of products, they are involved in more massive promotional programs and activities than ever before. Their research projects, too, are imaginatively probing every angle and exploiting every opportunity to ensure that this sector continues to thrive.

This, the year of the first National Frozen Food Month promotion, has seen an avalanche of studies, reports and product launches or relaunches. They are all designed, in the words of Pillsbury's Kenneth A. Pond, "to bring back enthusiasm and excitement to this very profitable department." What that company's vice president, frozen food sales, calls "the positive trend in frozens in recent years" also is reflected in supers' attitudes to the amount of space given over to frozens, and the kind and quantity of frozen food advertising they do. At Stop & Shop (Boston), for example, Frozen Food Buyer/Merchandiser Eddie Dawe says that advertising over the last two to three years "has been progressively devoting more space to frozen food." And, while his company's newest stores are being outfitted with increasing amounts of freezer space, he's "always looking for more," he says.

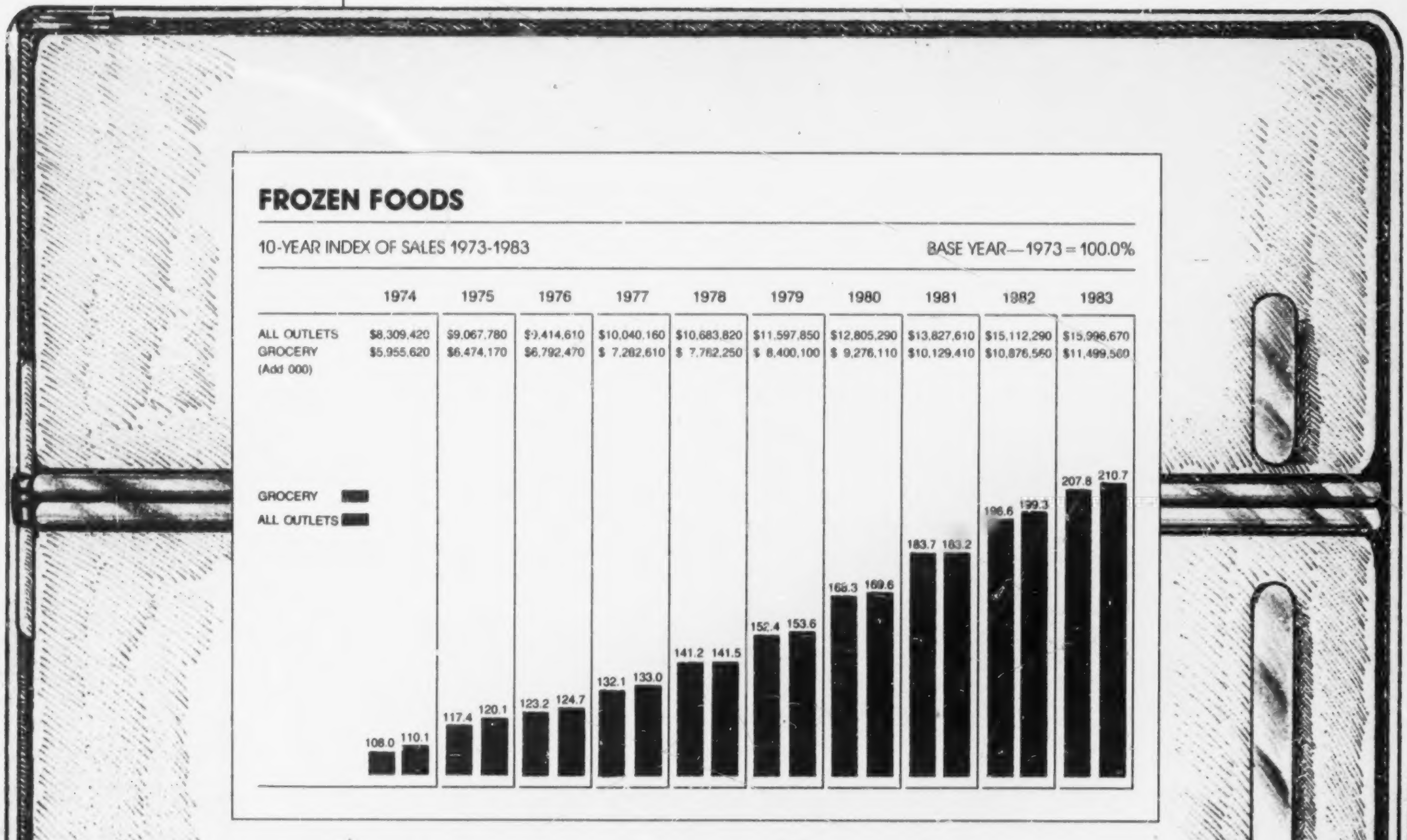
A spokesperson for Kroger (Cincinnati, Ohio) used almost the exact same language to describe that company's treatment of frozens. "We *have* been featuring them more in ads, and our newer stores *are* getting proportionately more freezer space," she said.

The National Frozen Food Association (NFFA) this past Spring saw an abundance of examples of how extensively chains and independents are willing and able to promote frozen foods. When entries came in for Golden Penguin Awards, to be presented by the Association to companies responsible for outstanding promotional activities during Frozen Food Month (this past March), "we were overwhelmed, both by the quality and the quantity of submissions," says NFFA President Nevin Montgomery. "Picking the winners was no easy job." (Stop & Shop, by the way, was among five chains and co-ops tied for top honors. The others were Chatham Supermarkets (Warren, Mich.), Marsh Supermarkets (Yorktown, Ind.), Publix (Lakeland, Fla.) and Tops Friendly Markets (Buffalo, N.Y.). Among chains with five or fewer stores, Triple A Supermarkets (Weston, Mass.) was judged "best.")

Many of the entries (one of which came in the form of a leather-bound book) stressed instore merchandising. Photos of various companies' creations made it quite clear that, as well as having high levels of enthusiasm, they believe that promotional expenditures pay off.

This was proven here when

Continued on page 94



FROZEN FOODS

10-YEAR INDEX OF SALES 1973-1983 BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
ALL OUTLETS	$8,309,420	$9,067,780	$9,414,610	$10,040,160	$10,683,820	$11,597,850	$12,805,290	$13,827,610	$15,112,290	$15,996,670
GROCERY (Add 000)	$5,955,620	$6,474,170	$6,792,470	$ 7,282,610	$ 7,762,250	$ 8,400,100	$ 9,276,110	$10,129,410	$10,876,560	$11,499,560

DRAWING BY ROBERT STRIMBAN

Many retailers stressed instore merchandising in their National Frozen Foods Month promotions.

Continued from page 92

the month's sales figures were recorded at NFFA headquarters. First reported to the trade at the FMI convention in May, those results show that, according to SAMI and NABSCAN figures, frozen food tonnage movement jumped up 6.7 percent higher in March 1984, than had been recorded the previous year in that month. And, where newspaper advertising of frozens was increased by at least 10 percent during the month, retail sales followed: In the Minneapolis/St. Paul market, they rose 8.7 percent. New Orleans saw a gain of 9.1 percent, and San Antonio's advance doubled that figure, climbing 18.2 percent.

Following hard on the success of that month's effort, the NFFA already has distributed a 34-page booklet outlining the plan for next March's National Frozen Food Month promotion. (The "plan," in fact, comprises only half of that booklet; the balance recaps coverage of this year's event.)

Within a month of the July mailing of that publication, NFFA started fulfilling orders for its detailed Supermarket Frozen Food Research Study. Conducted late last year on the Association's behalf by Van D. Spurgeon and his Spurgeon Management Services' staff and Dr. Karl Kepner of the University of Florida, Gainesville, that study follows the format of one Spurgeon and Kepner undertook for NFFA in 1978. (The latest one, priced at $20 each for nine or fewer copies, and $15 each for larger quantities, is available from NFFA headquarters, P.O. Box 398, Hershey, Pa. 17033.)

Comparing those two studies is, as one might imagine, an interesting—and eye-opening—experience. They show, in an assortment of ways, just how significant frozen products have come to be in supers.

One set of figures makes the point: Figure III-3 from the 1978 study, entitled Frozen Food Department Gross Profit Margin (GPM), shows 23 percent of (chain and independent) stores surveyed having GPMs of 23 percent or less. By last year, according to the latest study's Table III-4 (with the same title), only 10 percent of stores reported 23 percent or less GPM on frozens. Stores showing GPMs in the 23-26 percent range had fallen from 32 to 15 percent of those surveyed, and there was a two percent decline (from 27 to 25 percent) of stores with GPMs in the 26-29 percent range.

Then came the big change: In 1978, 18 percent of reporting stores claimed GPMs of 29 percent or more; last year, 50 percent did.

Equally interesting is a study of an advertising impact test conducted earlier this year in Charlotte, N.C., and Syracuse, N.Y. on behalf of the National Frozen Vegetable Council—a year-old organization descended (and expanded) from the California Frozen Vegetable Council.

This effort was intended to determine "whether frozen vegetable sales can be influenced by advertising," says a results report published by the Council in conjunction with Evans/San Francisco, the advertising and public relations concern that oversaw the study.

Stretching from early January through March, it measured certain consumer perceptions of variable fresh and frozen vegetable factors before and after the run of a frozens-biased ad campaign. In both cities, married, female consumers between the ages of 25 and 54 responded favorably to the advertised advantages of frozen (vs. fresh) products—but to differing degrees. In Charlotte, where income and education levels are below those in comparable consumer groups in Syracuse, fewer ads were judged to be "believable or very believable" than was the case in the latter city.

In Charlotte, the results report says, during the post-advertising test, only four of seven (pro-frozens) statements were significantly more believable to respondants compared to the pre-test period. In Syracuse, by way of comparison, "significantly more" consumers found "all" advertising statements to be believable at the test's end than had been the case in the pre-test period.

More importantly, in both cities, the advertising appears to have improved frozen vegetables' image in the eyes of consumers—but, again, in different ways. Six of seven "characteristics" looked better to Syracuse consumers, who weren't more impressed by the variety of frozen vegetables available to them. Charlotte consumers, meanwhile, ranked *only* variety and the nutrition of frozens higher in the second sampling.

The National Frozen Vegetable Council next year will do further studies in other key markets, an Evans/San Francisco spokesperson says.

Frozen product manufacturers, too, are spending big bucks on research as they seek, in ever new ways, to earn just a little more space in stores' freezer cabinets. Ore-Ida, for example, which just put into test market a four-product line of low-calorie potato products (called Ore-Ida Lites), terms its new product program as "very aggressive." Another H.J. Heinz affiliate, Foodways National, uses the same term to describe its marketing program. Based, as is Ore-Ida, in Boise, that company's Weight Watcher foods now are being promoted to consumer groups beyond those interested only in dieting or weight maintenance, a spokesperson says, noting that one approach being considered is heavy involvement in sports promotions.

Campbell's, meanwhile, rather than entering that fray, has found another kind of challenge for itself: "We've repositioned a small breakfast line that was under the Swanson name and re-named it Great Starts," marketing vice president Herb Baum says. "We've expanded the line to include much the same kinds of foods offered by fast food outlets—pancakes with blueberries and sausage, and so forth—then we took it the next step, and we're now test marketing breakfast sandwiches."

That's a significant move, believes Martin Friedman, editor of Dancer Fitzgerald Sample's *New Product News.* "What is big in fast food is being picked up by the supermarkets, (but) that's the first time I've seen a direct attack by packaged-food marketers on fast food," he said recently in *Ad Week.* "It's the first response, and I think it is a little tardy," he added.

Of course, supers are, increasingly, competing with restaurants of all kinds for consumers' food dollars. This just marks a drawing-tight of the battle lines. ■

—DOUG HARRIS

Baby foods sales are up because there are more working mothers, one report says.

Continued from page 91

pricing is based on six jars.

Despite reports that Heinz was planning to test a line of dried instant baby food, there are no immediate plans to do so, according to Heinz.

A spokesperson finds that baby food sales are up because there are more working mothers. More and more of those mothers are finding that commercial baby foods can be a healthful alternative to home made foods.

The company's major promotion continues to be its label saving program, begun in 1979. For each label from Heinz baby foods, juices or cereals, participating hospitals receive three cents from the Heinz company and another three cents from the H. J. Heinz Foundation. There have been ads for the program on the American Baby Cable network.

"We anticipate the possibility of giving up to half a million dollars this year," says the spokesperson. There are 50 participating hospitals across the country.

"From what consumers and the hospitals tell us, there's a great deal of support for the program and a lot more distribution of Heinz foods because of the program," the spokesperson adds.

In other areas, new twists in disposable diapers and nursing kits have been popular. Kimberly-Clark's Huggies elastic leg diapers have refastenable tape. Introduced last October, the refastenable tapes give parents a second chance to reposition an ill-fitting diaper and allow them to unfasten the tape to check for wetness and then refasten it again.

Consumers find the new twist-on top for the Playtex Baby Nurser introduced this spring especially convenient. During the transition period, Playtex included free adapter parts to convert the original pull-on system to the new system. In the new system, the nipple is simply slipped into a retainer ring, which is screwed into the holder containing the disposable bottle.

Print, network and cable television advertising combined with a $2 refund offer brought a good consumer response to the change, says the company's marketing department.

There's no significant change in Ross Laboratories Similac Infant Formula, according to Charlie Himes, director of marketing.

"Infant formula is used to supplement breast feeding," says Himes, citing the example of working mothers who breast feed their children before going to work and then leave a bottle with the babysitter. "Or, it's used in lieu of unmodified cow's milk."

Similac is not advertised, according to Himes.

"The industry does not do any consumer promotion," he says. "The information on infant formula comes through the hospital and through the physician."

Other manufacturers of baby products use doctors and hospitals to promote their goods. Gerber has a medical marketing staff which provides educational material for pediatricians to give new parents. Not only did Playtex distribute its $2 refund offer for its new nursers through inserts in baby magazines such as "American Baby," "Expecting," and "First Year of Life," it also included it in a workbook used by many prenatal classes.

New and expecting parents are so hungry for information on child rearing that four out of five of them attend child care education classes, according to research done by the Evenflo Company. The company is introducing Evenflo Baby Care Books, a series of six, slim paperback books, into test markets in Cleveland, Los Angeles, Dallas and Houston this fall. The books, covering prenatal care and nutrition, breast feeding, working and caring for the baby, will be sold in the baby departments of supermarkets, drug stores and mass merchandise stores.

Evenflo, which produces standard and disposable bottles, breast feeding equipment such as breast pumps, and playthings, is providing retailers with three different types of display racks designed to cross merchandise Evenflo products.

Three of six new toys introduced by Fisher Price have been very successful, reports Tom Fairhurst, marketing manager for crib and playpen toys.

A Playquilt with four soft play surfaces for young babies includes a squeaker mirror, a textured, plush surface and a teething ring. It folds to fit into a diaper bag. A nursery monitor acts as a one-way intercom system, allowing the mother to be anywhere in the house yet still be able to hear her child.

Discovery cottage, an activity center with 12 play features, including a ringing bell, slide and play figures can be folded together and carried with a handle.

The toys are designed to heighten the quality of time working parents spend with their children. Fisher Price does less advertising on daytime television and advertises in women's service magazines with broader audiences, such as *Family Circle, Good Housekeeping* and *Parents*. That also includes the large gift-giving market for infant goods.

One promotion, "Music to Your Ears," gives a cash rebate when you purchase a Fisher Price toy.

The toys, which retail from $1.50 to $19.95, have actually gone down in price in 1983, thanks to the lack of inflation.

Fairhurst sees future growth in the toy market in basic toys such as mobiles and blocks, stacking, nesting and activity centers. Such toys work well with infants' developing vision and motor skills.

With the large numbers of first births to more affluent couples, the market for basic baby goods seems to be growing as the "boomlet" continues through this decade. ■

—KATE RICE

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

BAKED GOODS

Consumers were bringing home the baking by the score—both with instore products and new, "home-made" rivals from manufacturers.

While bread may be the acknowledged staff of life, for many people it's cookies and sweet goods that make that life worth living.

In about half of U.S. supermarkets, the traditional aisle of commercial baked goods has been supplemented by an instore bakery whose fresh-baked yeasty aromas provide formidable competition in drawing shopper attention.

Since few customers are committed to either instore bakeries or commercial products to the exclusion of the other, peaceful coexistence is the rule. While instores are often given the advantage of the lead position in store traffic—an honor once accorded to produce—commercial baked sections still get plenty of space and attention.

The Gromer's supermarket in Elgin, Ill., for example, leads off its traffic flow down the right side of the store with merchandise from its well-staffed scratch operation. In the same aisle, to the customer's left, are the racks of commercial baked goods. What the customer sees is an extensive stock of baked goods offering a wide range of choices.

The fashion factor

Mom's apple pie was immune to the tides of fad or fashion. Today's bakers aren't that lucky. The Year of the Doughnut can quickly be succeeded by The Year of the Croissant. The advent of soft-chewy cookies can energize a laggard sector. And preferences in bread can move from soft white towards crusty, dark, heavy-textured varieties.

While commercial bakers tracked, and reacted to, changing consumer tastes last year, they were able to operate free from the anxieties of volatile ingredients prices of a few years ago. The cost of wheat flour rose 3.6 percent, but that of flour-based mixes and doughs declined 0.4 percent. The 4.1 percent jump in the cost of refined sugar was balanced by a 10.4 percent drop in corn syrup prices. Bulk vegetable shortening registered a 3.4 percent price decrease.

Even packaging inputs behaved themselves for the most part, as paperboard prices and laminated paper prices fell 1.3 percent and 2.8 percent, respectively. Cellophane prices, however, edged up 3.1 percent.

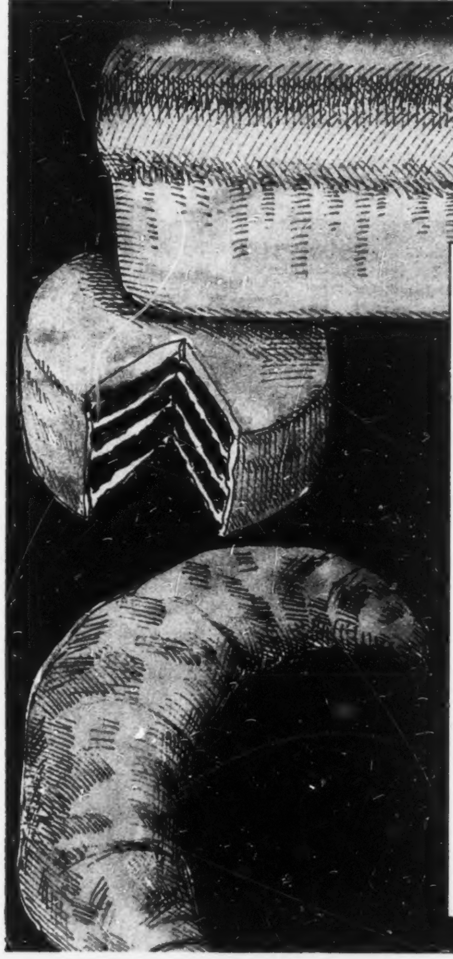
Wounded by the volatility of the price of refined sugar back in the mid-Seventies, many baking companies substitutied lower priced high fructose corn syrup (HFCS) for sugar, especially for sweetening bread and rolls.

Shelf prices behave

The stability in prices of ingredients could not have been more fortuitously timed. This enabled bakers to keep a lid on shelf prices, a help in their competition against instores.

Prices of highly visible

Continued on page 118



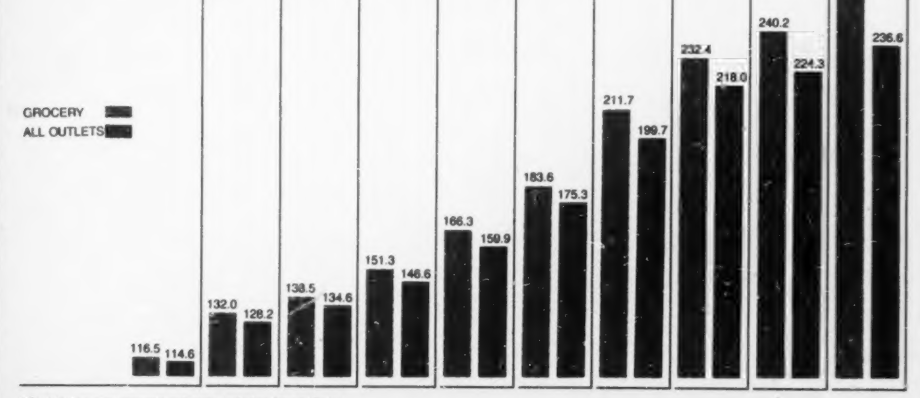
BAKED GOODS*

*Excludes frozen cakes, pastries, pies

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

(Add 000)	1974	1975	1976	1977	1978	1979	1980	1981	1982**	1983
ALL OUTLETS	$12,190,190	$13,633,170	$14,316,890	$15,597,580	$17,012,330	$18,651,040	$21,243,600	$23,192,180	$18,680,810	$19,713,430
GROCERY	$ 6,898,270	$ 7,817,820	$ 8,201,990	$ 8,958,740	$ 9,846,570	$10,873,760	$12,535,430	$13,765,490	$12,672,330	$13,547,820



**Snacks became separate category; Includes Instore Bakery

DRAWING BY ROBERT STRIMBAN

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

GREETING CARDS

The message was "congratulations" for greeting cards last year, as sales continued to be good. "Best wishes" are still in order, since there's a lot of room for growth.

For the most part, the supermarkets and the manufacturers that supply them have reason to send each other warm messages of congratulations on the performance of greeting cards last year. Still, there are those both on the retail and supply sides who might, if they were going to send a greeting to the other side, choose one of the modern "nasties" instead of a friendlier sentiment.

Small retailers, in particular, feel they have something to grumble about—namely that, as one expressed it, "we're not seen to be worth the while of the big card makers." Countering that—and the complaint of even some large chains that they don't provide enough service—the manufacturers say, simply, "it's a matter of economics."

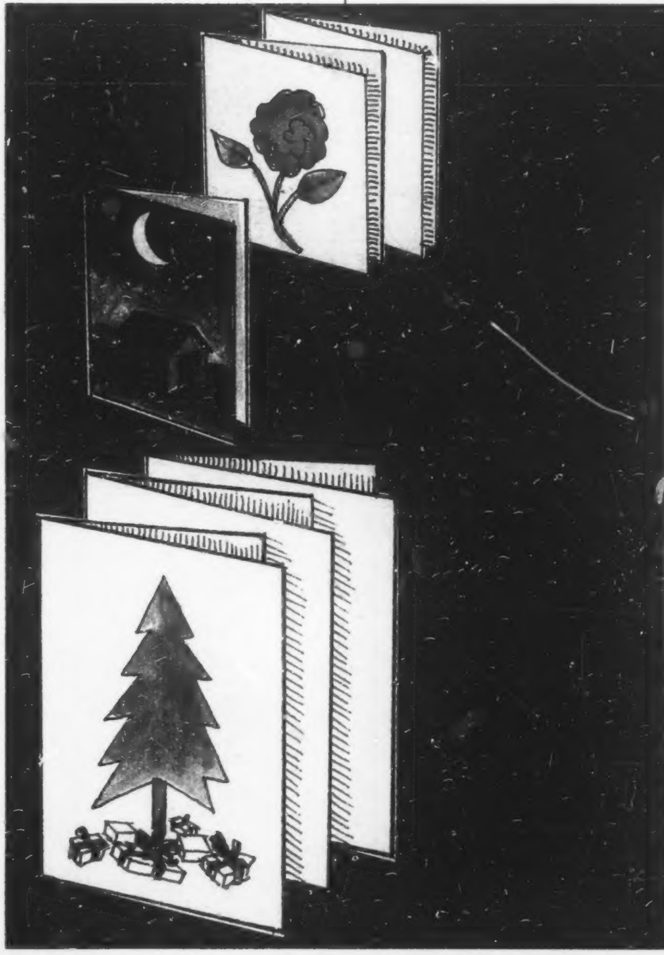
Manufacturers, meanwhile, question (and grumble about) what they term the economic senselessness of retailers who discount cards—sell them at lower-than-marked prices. Two of the "big three" card companies supplying supers—American Greetings and Hallmark's Ambassador Cards—are openly, and vocally, opposed to discounting. The third-largest supplier, Gibson Greeting Cards' Buzza division, says it neither encourages nor discourages discounting. (Another Gibson division, Success Greeting Cards, also supplies supermarkets, one of which characterized that company as "actively seeking business from small guys"—the independents and small chains that, while interested in selling cards, can't allocate a lot of space for them.)

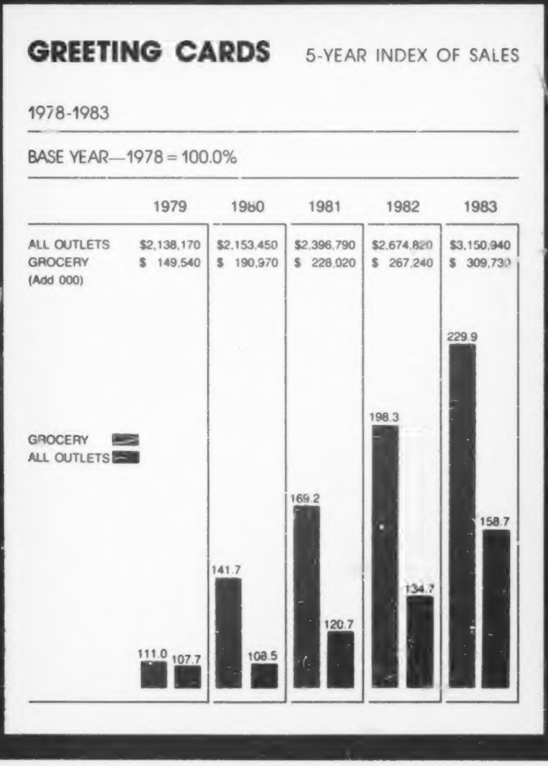
One of the main factors attracting small and large supers to greeting cards is their profit potential. Both American Greetings and Ambassador tell potential customers that if—as they should—greeting cards account for something near .5 percent of a store's total sales, they can produce between seven and nine percent of its net pre-tax profit. They can, that is, if the retailer sells those cards at the prices recommended (and printed on the products' backs) by their makers. Under-cutting those prices, spokespersons for the two largest manufacturers say, is both unnecessary and unwise.

"Discounting debases cards' sentimental value—and we're selling sentiment," says John Kelly, vice president, supermarket sales, at Ambassador (Kansas City, Mo.). Adds Wynn Weaver, Kelly's counterpart at Cleveland-based American Greetings, "You don't have to discount greeting cards to sell them. Discounting does increase sales—but nothing like what's needed to achieve the same bottom line results."

He notes that stores discounting cards 30 pecent "have to do five times as much volume to earn the same amount of profit" provided by full list prices. By the same reckoning, Kelly notes that the 40 percent discounter "has to increase

Continued on page 112





GREETING CARDS 5-YEAR INDEX OF SALES

1978-1983

BASE YEAR—1978 = 100.0%

	1979	1980	1981	1982	1983
ALL OUTLETS	$2,138,170	$2,153,450	$2,396,790	$2,674,820	$3,150,940
GROCERY (Add 000)	$ 149,540	$ 190,970	$ 228,020	$ 267,240	$ 309,730

DRAWING BY ROBERT STRIMBAN

PERIODICALS

They threw the book at a lot of stores—and sales were good. Reading centers fared well in many stores, and periodicals and books are continuing to expand their sales in supers.

Periodicals gained even more momentum in 1984 as one of the top-selling nonfoods categories for supermarkets. Evidence that supers are committing themselves to the category can be seen in the increased amount of shelf space they are devoting to magazines and books, and in the rise in the number of titles they now carry.

There are several reasons that magazines and books are a lucrative category for supers. For one thing, magazines in particular are impulse buys, so when placed at the front checkout counters, chances are pretty good that they'll be purchased.

More importantly, Jack Fitzmaurice, president of Periodicals Institute, tells us, magazines are worth more than their cover price because of the numerous food advertisements, coupons and recipes within their pages.

Supermarkets, therefore, have begun to capitalize on the potential profit of periodicals by expanding their mainline racks, in some cases by as much as 50 percent. They are also beginning to cross-merchandise the category with appropriate products. And, some retailers have even begun developing entire reading centers to accommodate up to as much as 600 magazine titles as well as paperback books.

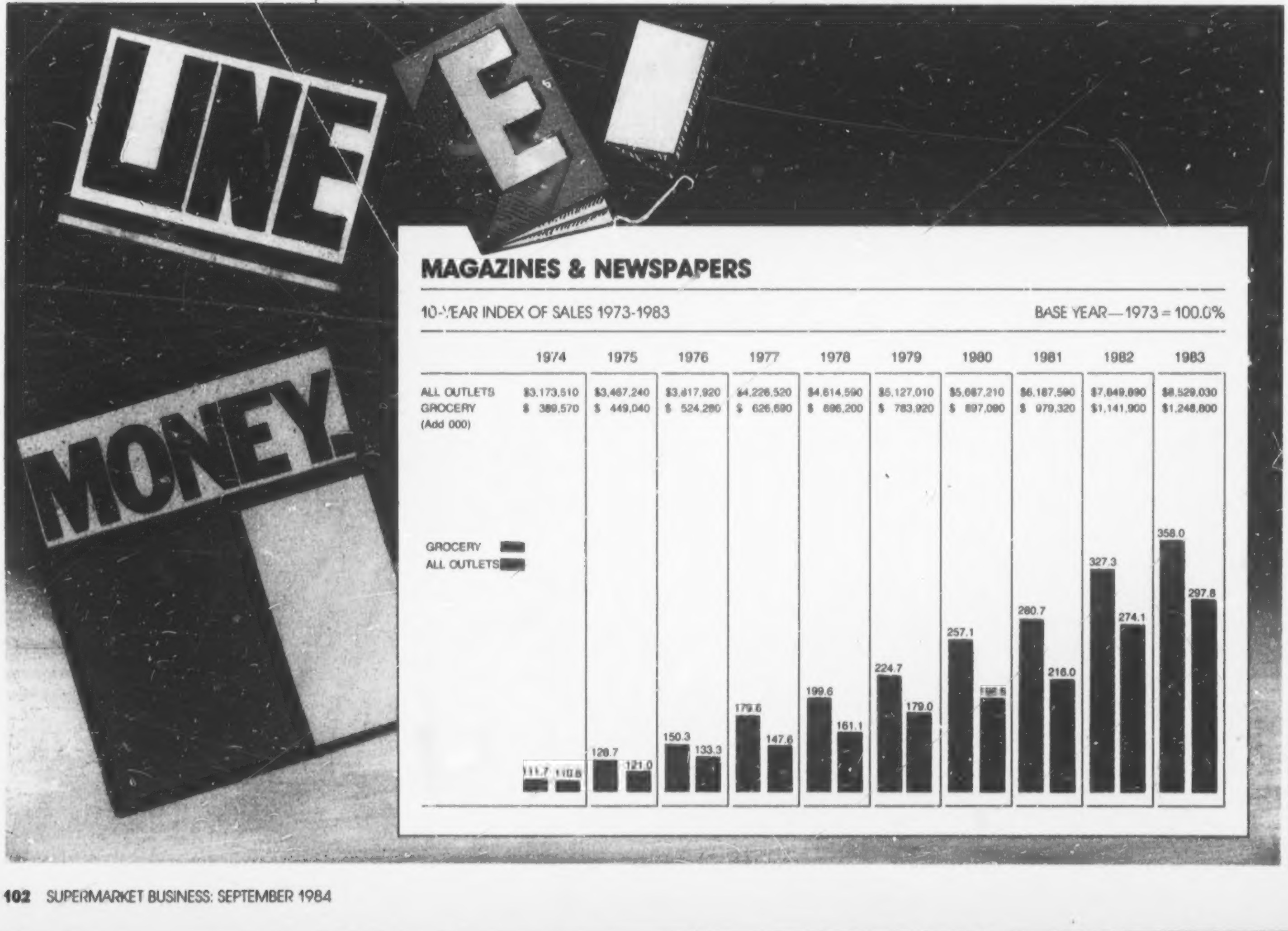
Today, magazine publishers rely quite heavily on supermarkets as a top outlet for them. And all report healthy supermarket sales increases. *TV Guide*, *Family Circle* and *Woman's Day*, the three original supermarket magazines, do the majority of their business through supermarkets. Supermarkets today represent 67 percent of *TV Guides'* total market, 80 percent of *Family Circle's* and up to 90 percent for *Woman's Day*. In fact, *Family Circle* and *Woman's Day*, both of which are loaded with coupons, food advertisements and recipes, were born in supermarkets and were developed as marketing tools for supers to sell their products.

Other publishers, such as Conde Nast and Hearst, have in the last five years become increasingly visible at food chains.

Conde Nast, which publishes 10 titles ranging from *Glamour* to *Gentleman's Quarterly*—all of which to some degree are sold at supers—reports that sales in supermarkets are definitely on the upswing. According to Bill McCollough, marketing manager for Conde Nast, supermarket sales are moving at the same rate as the publisher's overall retail sales gains—about a 34 percent increase over the last five years.

ICD/Hearst, the distributing arm for Hearst publications as well as a number of associated publishers and paperback companies, also reports a "steady growth in supermarkets," according to Jim Mayor, vice president of marketing opera-

Continued on page 104



MAGAZINES & NEWSPAPERS

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
ALL OUTLETS	$3,173,510	$3,467,240	$3,817,920	$4,226,520	$4,614,590	$5,127,010	$5,687,210	$6,187,590	$7,849,890	$8,529,030
GROCERY (Add 000)	$ 389,570	$ 449,040	$ 524,280	$ 626,690	$ 696,200	$ 783,920	$ 897,090	$ 979,320	$1,141,900	$1,248,800

DRAWING BY ROBERT STRIMBAN

PERIODICALS/CONTINUED

Recently, Conde Nast developed a 10-minute training film specifically to help food chains better merchandise magazines.

Continued from page 102

tions for ICD/Hearst.

Despite the growth reported by publishers, there's a greater effort than ever on the part of publishers to better sell the category in supers. Conde Nast, for example, this past spring developed a 10-minute training film specifically for food chains to help them better merchandise magazines in their stores. According to McCollough, the film, which is free of charge to retailers, is a first for the industry.

ICD/Hearst has developed a variety of cross-merchandising programs which it is bringing to food retailers. For instance, the distributor can construct for supers a Bon Appetit deli program in which *Bon Appetit* is cross-merchandised with specialty foods in the deli sections.

"ICD works with chains in creating customized approaches to selling," according to Mayor. He says, "There are magazines to complement just about any store product," adding that the more aggressive food chains have been tying in with ICD special promotions such as a "July 4th Picnic" theme in which magazines are cross-merchandised with the appropriate picnic items.

Bantam Books shifted its marketing strategy somewhat about four years ago when it began taking a serious look at supermarkets as a potentially strong outlet. It also firmly believes in cross-merchandising books with other products.

"A lot of growth potential is in cross-merchandising," says Sid Hoenig, retail chain sales manager for Bantam Books. According to Hoenig, "Through cross-merchandising you can expect to sell through almost equal to a best seller. In other words, you can turn a six-pocket shelf extender eight to twelve times a year." He also notes that by using a book extender to cross merchandise, the retailer increases book space while using otherwise non-productive space.

According to Hoenig, by placing Bantam books alongside related merchandise, retailers increase sales of both books and products. He says that retailers report sales have exceeded their expectations without taking away from mainline racks and checkouts.

Examples of books that Bantam suggests cross-merchandising with other products include diet books (such as *The Complete Scarsdale Medical Diet*) with diet products and low calorie sodas; baby and child care books (such as best selling *Vicki Lanksy's Toilet Training* book) with diapers and other infant products, and cookbooks (*Better Homes & Garden New Cookbook*) with baking products.

Apart from cross-merchandising, retailers are taking advantage of store-within-a-store concepts by creating their

Continued on page 106

PET NEEDS/CONTINUED

Continued from page 84

ran its second annual "Search for the Great American Dog" contest. The first contest drew more than 26,000 entries. The winner, who will receive $25,000 in cash, a photo on eight million bags of Dog Chow, a trip to New York and an appearance in the Macy's Thanksgiving Day Parade, will be announced in November. In another promotion, Ralston Purina offered proof of purchase refunds good for visits at the vet's.

In keeping with the "what's new is what sells" theme, Ken-L Ration, owned by the Quaker Oats Company of Chicago, will introduce a number of new products later this year. According to a spokesperson, Puppy Kibble and Bits will be the first, four-component, two-textured puppy food that provides all the nutrients required by young dogs, along with the flavors of adult dog food.

Puppy Kibbles and Bits will be available in four-, eight- and twenty-pound bags, and the introduction will be supported by network television ads, free-standing newspaper ads, direct mail and coupons.

Ken-L Ration will also add an entry to the lucrative dog treats segment of the industry. This segment of the pet food business has seen a 25 percent growth in volume by pounds as well as $40 million in sales over the last year. "We're selling a lot more dog treats than we used to," says Ferguson of Raley's.

Ken-L Ration will introduce "Snausages" in November. Snausages is a premium sausage-style dog snack that will come in two flavors—beef and liver.

Snausages may turn out to one of the more mundane dog snacks if the recent growth in the pet treat segment of the industry continues. Fortune cookies, Valentine's Day hearts and liver paté are a few of the other items now being marketed through supermarkets as what have been labelled "gourmet pet products."

Dogiva, a Los Angeles-based specialty pet products manufacturer, distributes its cookies and hearts through department stores, but Famous Fido's Doggie Deli, a Chicago-based concern, has begun to appear in supers. Famous Fido products include tuna treat, cheese logs, chicken-à-la-fido and steak and kidney ragout. The company is also planning a line of "Feline Fritters."

In what appears to be an off-year for the pet food industry, chain buyers have had to display items to sell and often this has meant rapid switching around depending on sales. "We've seen some increase in pet food sales but only because all sales have increased," said Ferguson of Raley's. "There has been no percentage increase so we are not increasing shelf space. What we have to do is swap the items around, making sure the sellers are out there." Much of the swapping is in connection with manufacturer or store promotions. Raley's includes pet food products in its weekly print advertising.

If chain buyers and manufacturers of pet food are correct in their predictions, the number of pets in the country (currently put at some 91 million cats and dogs) is not going to decrease. It would appear that the nation's canine and feline populations—particularly the dogs—will be eating more dry food, and be rewarded more often with special treats. And the cats just may be about to be the center of attention in an explosion of new cat box filler technology. Meanwhile, manufacturers are working overtime with promotions and new packaging to keep their products on display. ■

—ROBERT MILLER

PERIODICALS/CONTINUED

Continued from page 104

own book and magazine centers.

According to Conde Nast's McCollough, "Reading center growth has been phenomenal in the last few years. There is a greater trend towards this with the implementation of total magazine/book/paperback sections."

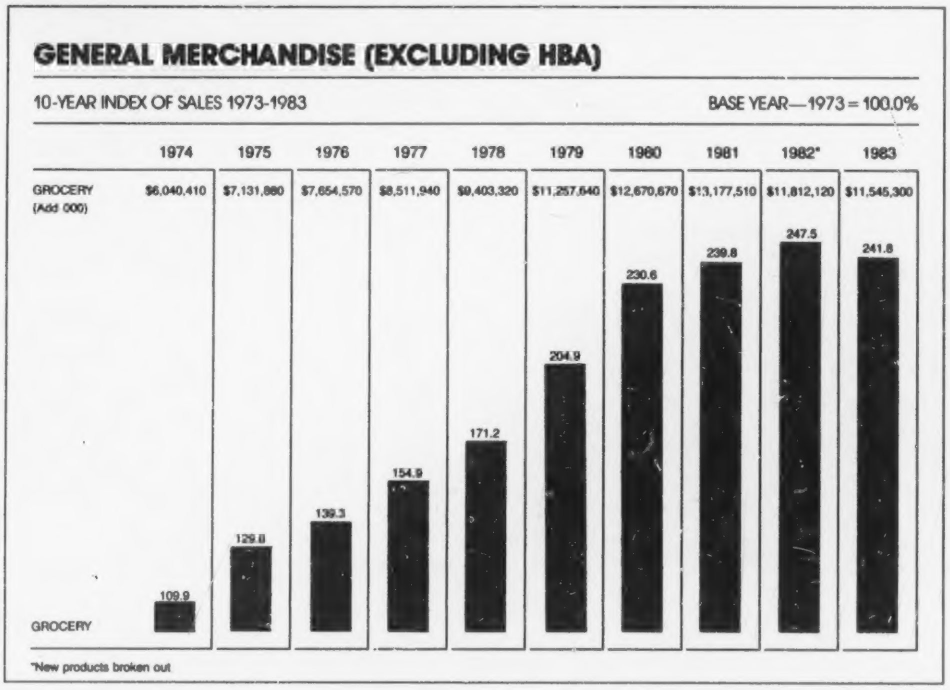
Ralph's Grocery Co. (Compton, Calif.) recently developed "expanded reading centers" spanning several hundred square feet in selected stores to accommodate more titles and paperbacks. In newer stores where it may not be introducing reading centers, Ralph's is expanding its mainline magazine/book sections to an average of 32 feet.

Red Owl Stores (Hopkins, Minn.), in the last year began implementing off-rack magazine departments in addition to its front-end racks, with lengths ranging from eight to twelve feet. Red Owl has also begun introducing book sections in its outlets.

Piggly Wiggly Southern Inc. (Vidalia, Ga.) has expanded its magazine/ book sections by 50 percent in the last five years, accoring to Billy Bush, buyer for the chain. About five years ago the southeastern chain introduced book sections as well and reports that Harlequin romances sell the best.

According to ICD's Mayor, magazines and books sell best

Continued on page 108



PROCTER & GAMBLE

NOTICE TO THE TRADE

ATTENTION STORE MANAGER:

We offer Cooperative Merchandising Agreements, promotion allowances and merchandising materials which are practical and usable by all retailers regardless of size.

Payments are made for newspaper or handbill featuring, display, and consumer directed promotion. Details are set forth in specific agreements. Proof of performance (e.g. tear sheets) and proof of delivery (jobber's invoice) are required for payment of allowance. Our merchandising materials consist of display material, newspaper mats and proofs etc.

If you would like to receive specific information on offers available to you, send your name, address and telephone number to Procter & Gamble, Box 162, Cincinnati, Ohio 45201. Please specify, if possible, the Division in whose brands you are interested.

Packaged Soap & Detergent Division
Beauty Care Division
Health & Personal Care Division
Paper Products Division
Food Products Division
Bar Soap & Household Cleaning Products Division
Coffee Division

Notice to all retailers

Periodically, Mobil Chemical Company's Consumer Products Division offers promotional discounts and/or special allowances for displaying, advertising and promoting its Hefty® line of products.

For details send your Name, Address and Telephone Number to your local Mobil Chemical sales representative or write to: Mobil Chemical Company, Consumer Products Division, Sales Promotion Department, Pittsford, N.Y. 14534.

Mobil Chemical Company
Division of Mobil Oil Corporation
Consumer Products Division
Pittsford, N.Y. 14534

PERIODICALS/CONTINUED

Publishers are working with food retailers to beef up sales through special promotions.

Continued from page 106

in "environments specifically designed for them." They also sell extremely well at checkout counters.

More and more publishers are working with food retailers through the use of special promotions to beef up sales. These include price promotions, special displays and sweepstakes tie-ins.

Ralph's periodically stages a bargain book program featuring 35 to 50 percent off publishers' pre-prices, according to Craig Calton, vice president-gm for the west coast chain. Ralph's also occasionally ties in with publishers promotions such as Family Circle's Great American Sweepstakes.

Red Owl Stores runs first-digit discounts of 10 percent on all magazines and books in its warehouse-type food stores.

Harlequin provides retailers with its own Harlequin book racks. The publisher also has available a limited selection of sample books which can be used for giveaways at food store openings and other special events. Additionally, Harlequin has just launched a sweepstakes to introduce a new line of paperbacks. It will be supported by a coupon program at the point of purchase.

The book publisher has also developed its own planogram kit, "Magneboard," which is a graphic representation of a community book rack. It has been created to "provide shelf management to help retailers increase turnover," according to Paul Clarke, product manager for Harlequin.

TV Guide offers special displays and dumps for its fall previews issue as well as retailer promotional aides and POP material. *Woman's Day* provides special display units to improve the front end of supermarkets.

Family Circle conducts ongoing research projects to help supermarkets boost their sales of all products. It also works with supers to create auxillary displays to help move magazines. An average of eight consumer promotions are launched each year, such as the "All American Shopper" campaign (a store manager contest to help move product), according to George Edwards, senior vice president, circulation director for *Family Circle*.

Conde Nast, meanwhile, is working on a special promotion with retailers in 10 markets using dump displays to promote fall fashions. ■

—LAUREN YANKUS

CEREALS/CONTINUED

Continued from page 88

them," and which have really taken off, thanks to the advertising dollars behind them.

Among hot cereals, the hot news is the growth of instant (mix-in-bowl) products, which cater to the growing demand for convenience foods. Quaker's Watts reports that these instant hot cereals now, for the first time, account for "more than 50 percent of the hot cereals category for us." With the upcoming introduction of Ralston Purina's Sun Maid Instant Hot Cereals (three varieties) and Nabisco's addition of two new flavors to the Mix 'n Eat Cream of Shredded Wheat line, retailers can look forward to an increase in hot cereals sales this winter. The back-to-school period and the winter months are the prime selling times for hot cereals, especially in the Northeast. According to one Midwestern retailer, "Quaker is definitely number one. You can't keep that on the shelves when it's cold out."

A product's introductory phase provides the greatest opportunities for retailers to stimulate category sales, although most supermarkets will advertise at least one or two cereals each week. General satisfaction is expressed with the television and print advertising that usually accompanies the introduction of a cereal, and retailers often create end-aisle displays around the new product to give it a strong headstart. At Red Owl, "we bring in a whole pallet per store," says Dianne Gadd. She adds, however, that problems arise when the introductory allowances are given six weeks *before* ads break, during which time the product "just sits on the shelf, which doesn't do either of us [the manufacturer or the retailer] any good."

Introductory periods aside, cereals are often not as highly promoted as many other supermarket categories, and special displays or promotions are built around them only when an especially good deal is available. Likewise, cross-merchandising is infrequent, occuring most often with fruits or children's cereal bowls, if at all. Space devoted to cereals is generally fixed within a given store, but with the great variety of store sizes, it is hard to cite averages. In general, stores devote a full aisle to cereals, and this can run anywhere from 36 to 50 feet.

Despite a slight increase over the past few years in the number of breakfast skippers, approximately 84 percent of all potential breakfasts are still consumed in the home, according to a recent study conducted by MRCA Information Resources (Stamford, Conn.). And the excitement, convenience and variety of seemingly endless new products ensure that cereals will continue to play an important role in these meals. In upcoming years, both adult, more health-oriented cereals and children's pre-sweets will undoubtedly continue to be important, as will, on a lesser scale, hot and all-natural cereal products.

Add to this the probability of more children's reduced-sugar cereals and also the possible growth of new low-sodium goods, and retailers can expect an exciting start to their day. ■

—MARIANNE SKOCZEK

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

CANNED GOODS

What's in the can could be fresher-tasting, thanks to new technology to help spur sales. Aseptic packaging helped the canned goods field also.

Last year's big news in the canned category—aseptic packages and low-sodium and low-calorie lines—still are among the industry's hot subjects. Dramatic as those breakthroughs were, though, they are slowly being overtaken by others.

In the juice area, for example, aseptics are helping some producers expand their franchise in unexpected ways. A spokesperson at Ocean Spray explains, "Traditionally, our products have appealed more to older consumers. Now we're finding that kids who've tried us only since we introduced aseptics are drinking our products from that kind of container when they're on the go, and they're using our bottled drinks when they're at home. It's fair to say our move into aseptics has opened Ocean Spray's offerings up to a whole new group of consumers."

In many instances, consumers of that and other companies' drinks are finding that, when they want the bottled versions, they have less choice in sizes than before the onslaught of aseptics—thanks, in part, to the space pressures created instore by that new category of packages. At Big Bear Super Markets (San Diego), for example, a lot of single-service six-packed drinks "went by the wayside" to make way for aseptics, says Mike Rose, grocery buyer. "The same is true in the 46-ounce size of 10 percent juice drinks," he adds. "Some of them have been hurt by the entrance into the market of aseptics."

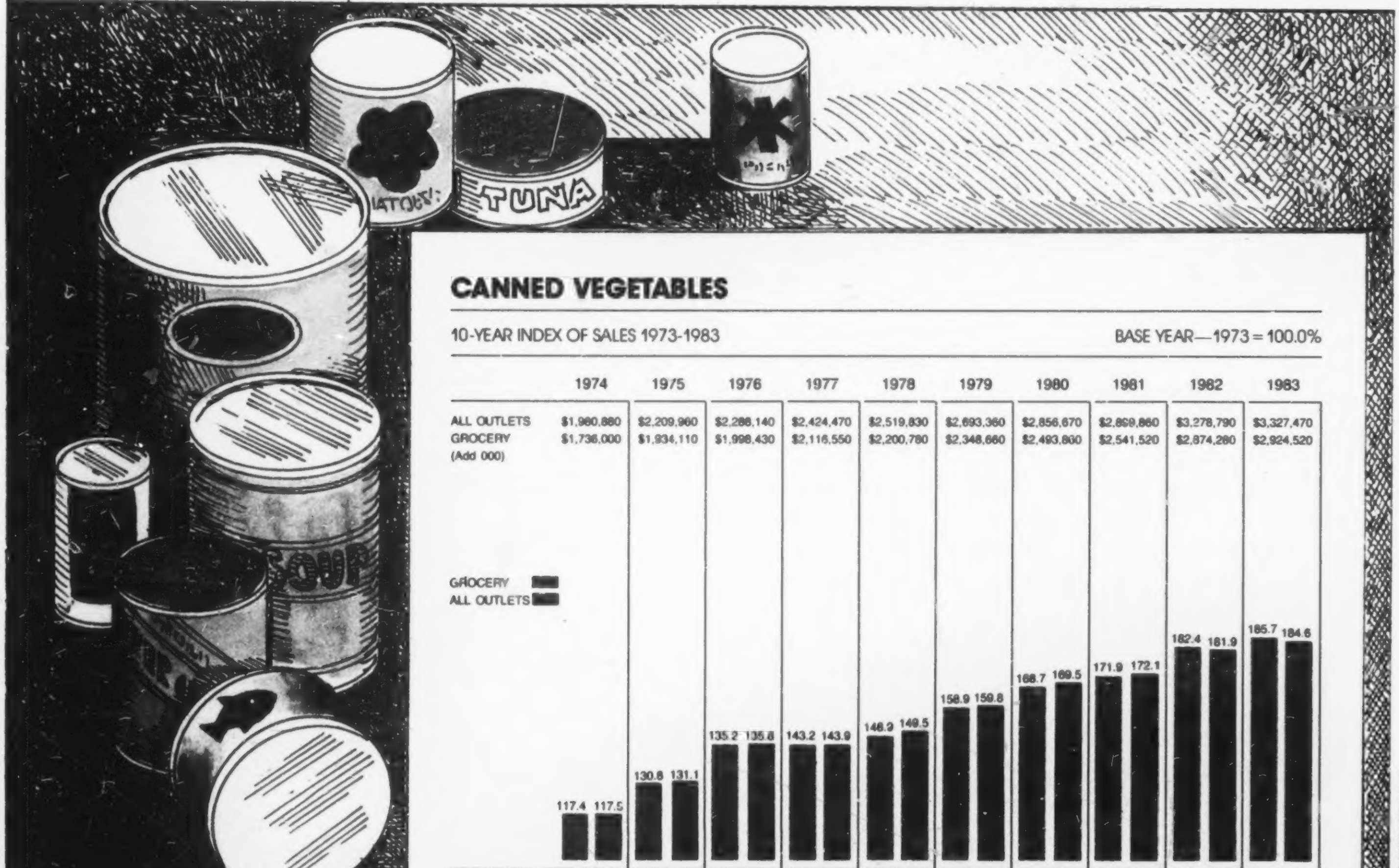
Gary Hammonds, grocery supervisor at Malone & Hyde's Sureway Stores (Henderson, Ky.), similarly shifted away from the smallest sized juice drinks to make way for aseptics. And Publix (Lakeland, Fla.) in some cases has had to move entire categories to get aseptics in, says Head Buyer Fred Langford.

Canned fruits and vegetables producers, meanwhile, are having their own kinds of space- and share-holding problems, particularly as pressure is stepped up by marketers of fresh and frozen equivalents of their offerings. Consequently, they and their packaging suppliers are working in assorted ways to upgrade the quality of the products each is responsible for. Where can manufacturers are concerned, this impetus, which carries over into such areas as motor oils as well as fruits and vegetables and soups, among other things, and involvement in innovations sometimes goes beyond the manufacturer's traditional prime-interest area. Take, for example, what the Continental Can Company is doing.

In practical terms, for practical reasons, that company has moved far beyond the comparatively simple business of making and selling "tin" cans.

It's also getting into experimental processing of food products. (See "Continental Tests New, Flavorful Canning Methods," SB, May 1983, p. 8.) During the past five years, Con-

Continued on page 113



CANNED VEGETABLES

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
ALL OUTLETS	$1,980,880	$2,209,960	$2,286,140	$2,424,470	$2,519,830	$2,693,360	$2,856,670	$2,869,860	$3,278,790	$3,327,470
GROCERY	$1,736,000	$1,934,110	$1,998,430	$2,116,550	$2,200,780	$2,348,660	$2,493,800	$2,541,520	$2,874,280	$2,924,520
(Add 000)										

DRAWING BY ROBERT STRIMBAN

Though disarray implies good traffic, neatness in the cards' section must be maintained.

Continued from page 99

sales by 600 percent" for the same profit volume. He (Kelly) cites the case of one company that went from selling cards at list prices to 30 percent discounting: "Their sales, the next year, were up 55 percent in volume—but their profit was down 65 percent. I told them, 'I'm real happy to see your volume so improved. Next year, so you'll move even more, I want you to give the cards away!' "

Neither he nor Wynn Weaver *really* want to see their non-discounted sales increased *that* way. And they refuse to cut into their far-from-excessive profits so retailers can give theirs away. To the contrary: Both feel sure the fact some manufacturers have done that has "a lot" to do with why, instead of the dozen or so major card companies extant a decade ago, there are only three today.

Kelly's point that "when the quality is there, shoppers aren't price-sensitive when buying cards" is coincidentally reinforced by a point expressed by a greeting card distributor and echoed by American Greeting's Weaver: "Cards are probably the least-pilfered line a supermarket stocks," said Ralph Furlo, Jr., a salesman for the past 13 years for the Pfeister Company (Saginaw, Mich.). Added Weaver, "People don't want to steal a card to give to mom on her birthday. Few are *that* unsentimental!"

Birthdays, anniversaries and other glad and sad occasions give Pfeister's 1,200 retailer customers around Michigan—and everyone else selling greeting cards—the "bread and butter" day-to-day sales amounting to around 65 percent of the year's total volume. The balance of sales precede holidays—and there are, when you count such non-holiday-but-special occasions as Halloween and Valentine's Day as well as parents' days and even Grandparents' Day, quite a few of those. Ambassador sells cards for nine special occasion "seasons," as Kelly calls them. He notes that it's particularly during the final week of each of those that retailers have to do everything possible to maximize sales. "That's when the bulk of special sales are done," he says, adding, "and those are the only times of the year when cards are planned purchases."

WHERE THE 1983 GM* SALES INCREASE CAME FROM

RANK	CATEGORY	SALES INCREASE OVER 1982 (000)	% OF TOTAL GAIN
1	Magazines & Newspapers	$106,900	25.9%
2	Photo & Film Processing**	62,080	15.0
3	Women's Hosiery	61,820	15.0
4	Flashlights & Batteries	49,590	12.0
5	Greeting Cards	42,490	10.3
6	Housewares	31,270	7.6
7	Toys	11,610	2.8
8	Pet Accessories	9,960	2.4
9	Men's & Boy's Underwear	7,580	1.8
10	Disposable Cigarette Lighters	6,980	1.7
11	Records & Tapes	6,680	1.6
12	Writing Implements	4,620	1.1
13	Men's Hosiery	4,080	1.0
14	Stationery	2,340	.6
15	Sunglasses	2,340	.6
16	Shoe Laces	1,510	.4
17	Vacuum Bottles & Jugs	440	.1
18	Playing Cards	330	.1
*Excludes HBA/Rx **Excludes movie film		412,620	100.0%

GM'S* 10 FASTEST GAINERS

*Excludes HBA/Rx

Rank	Category	1983 Grocery Store Sales (000)	% Increase From 1982
1	Food Preparation Glassware	57,470	16.3
2	Greeting Cards	309,730	15.9
3	Batteries	393,020	13.9
4	Mechanical Pencils	5,150	13.7
5	Film Processing	208,310	11.6
6	Beverageware	63,790	11.4
7	Tableware	26,770	10.8
8	Panty Hose	655,110	10.6
9	Magazines	968,810	10.5
10	Film	502,840	10.3

It's important to remember, he explains, "cards are the only products in the supermarket that generally aren't purchased for self-consumption—and most of those bought are selected on impulse. If the retailer is going to make the most of that, and the fact that—again, unlike anything else in the store—the 'social expression' greeting card is something each customer could choose to buy every shopping trip, department upkeep is essential." And it's neither fair nor reasonable, he and other suppliers say, for retailers to expect someone beyond their own staff to "always" have that responsibility.

"We want to help retailers as much as we can," says Weaver, "but there are practical limitations to how much we can do in the way of servicing their card departments. The economic reality is, when the volume is there, so are we, with service personnel." He cites one store—a Long Island (N.Y.) Pathmark, that is serviced "in the morning and again in the afternoon—it's that busy." Most often, though, his and other suppliers' stock-takers/section-straighteners visit stores on a weekly basis.

No greeting card section worth its space stays neat-looking even for a couple of days without some attention being paid to it, suppliers say. Because that's so, they strongly encourage retailers to assign someone to, as Pfeister's Ralph Furlo puts it, "police the racks on their way by—to put somebody in charge, to spend five minutes a day at it." One of his customers, Hamady Bros. Food Markets, says it "generally does a pretty good job" keeping card sections in good shape. Sales coordinator Everett Held, who's based at the company's headquarters in Flint, asks managers to assign someone to keep on top of the card sections—as does Roy Hill, advertising and merchandising manager for Rogers Markets (Ft. Wayne, Ind.). Most often, in his company's 11 stores, the person assigned that duty also has responsibilities in the HBA area.

Pinky Halvorson, vice president of Cincinnati-based Buzza Greeting Cards, doesn't say how often his people visit stores—but they may, because of his company's merchandising system, have to go in more often than might, say, an Ambassador order-taker/straightener. Buzza's "Everything Up Plus" concept centers on displaying all cards stocked by a store. Traditionally, reserve card stock has been held in drawers below the display fixtures—as it still is by Ambassador's and many of American Greetings' retailer

Continued on page 174

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

Both individual companies and industry groups have launched campaigns that stress the advantages of canned goods.

Continued from page 110

tinental has spent "around $5 million," says James Fridl, general manager, marketing, food operations, on research aimed at "bringing canned green vegetables more in line with consumer expectations of what such products should look and taste like."

That research began to pay off last year, with the introduction, in test markets, of "Veri-Green" canned peas. First marketed by Rogers Wala Wala, this product is a genetically reorganized pea—which is greener, to begin with, than its canned cousins—that is packed in an organically coated can designed to stabilize chlorophyll during the retort (cooking) phase of the canning process. This product now is being rolled out nationally by S&W Fine Foods (San Mateo, Calif.) and regionally—as a house brand—by an assortment of supermarket companies.

"We've found what could be called the Rosetta Stone of chlorophyll," says Fridl. The research work started because "the canned type of pea had become a product in trouble, with declining sales over the last 16 years." What Continental learned about peas has given the company "insights into how similar chlorophyll-stabilizing technologies can be developed for other green vegetables, such as beans, spinach and so forth," Fridl says.

Other manufacturers have also stepped up development. Goodyear recently announced the availability of a "polyester," or PET, can, using a new, patented heat-seat process (able) to withstand temperatures high enough for food sterilization. In part, this activity on the part of can manufacturers reflects what they see as a necessary reaction to aseptic packaging. At the same time, package producers are, just as significantly, reacting to the normal need in business to be innovative to realize growth.

A lot is happening to help canners hold—and, they hope, add to—their sales.

Individual companies, Del Monte prominent among them, are loudly advocating the advantages of canned products, and the fact that canned fruits and vegetables are as nutritious as their fresh equivalents (supported by a USDA report and by private research). Del Monte's budget in support of this message is $10 million, and is the first such expenditure made by this company in seven years.

It's paying off, too, in terms both of boosted sales and new distribution for the supplier, retailers report. Sureway Stores' Gary Hammonds says "sales have been up" since Del Monte's "higher than average" promotional allowances were put to work in his advertising. Leever Super Markets' (Devils Lake, N.D.) Bob Dahlen adds, "Prior to six months or a year ago, we never handled Del Monte at all; then there was increased customer demand for it, so we brought it in." Sales are steadily increasing, too, he says.

A message similar to Del Monte's also is being passed to consumers through food writers—thanks to an industry-supported program by the "Canned Food Information Council." Presently dealing just in public relations, this effort is expected to run to consumer advertising, as well, if members of the supporting trade groups—the National Food Processing Association, The Can Manufacturers Institute, and the American Iron and Steel Institute—come up with the necessary funding.

While those groups and their spokesperson, Peggy Fleming (see "Canning Industry Continues Nutrition Blitz," SB, June 1984, p. 11), promote *canned* products, some of the canners they are supporting are thinking in other directions. Campbell's, to cite just one, has reacted to what its vice president, marketing, Herb Baum, says is "the belief of *some* consumers that the can is an outdated package—that it's not as convenient as it once was; that they'd like some kind of container, given their increasing use of microwaves, that they could actually cook in and eat out of, and that is table presentable." His company now has under development a package that meets those perceived needs, Baum says, and widespread use is "imminent."

Beyond "imminent" is the status of the beyond-cans packaging of motor oils—using technology that is expected to take its place soon in several grocery categories. ■

—DOUG HARRIS

INCREASES IN GROCERY STORE MARKET SHARE FOR HBA

	1983	1982	1981
Acne preparations	18	18	18
Adhesive bandages	50	49	55
Aerosol shaving cream	45	45	44
After shave lotions	33	33	32
Antacids (effervescent)	51	50	50
Antacid liquids	42	40	39
Antacid tablets, pills, gums, lozenges	55	53	53
Antacid powders	42	42	42
Bobby pins	26	26	25
Bulk type laxatives	14	12	12
Cold tablets, capsules	51	50	49
Color shampoo	23	23	22
Coloring preparations	15	15	15
Contact lens solutions	8	8	7
Cotton balls	36	36	36
Cotton swabs	59	58	57
Cough & cold salves, ointments	36	36	36
Cough drops	34	33	34
Cough syrups, elixirs, expectorants	20	21	20
Denture cleaners	46	45	43
Diarrhea remedies	52	51	51
Eye lotions, washes	44	43	42
Eye makeup products	19	19	19
First aid kits	52	52	52
Gauze bandages	24	23	23
Hair brushes	32	32	31
Hand & body lotions	39	38	37
Hemorrhoidal suppositories	28	28	27
Home permanent kits, refills	19	20	20
Hypoallergenic infant formulas	85	85	84
Liquid douches	33	33	32
Makeup bases	5	5	5
Manicure implements	26	27	26
Medicated shampoo	53	51	50
Men's hair dressing	49	49	48
Menstrual analgesics	45	44	44
Mouthwashes, gargles	51	50	47
Nail polish removers	21	21	21
Nail polish & enamel	13	13	13
Nipples & pacifiers	44	43	42
Nursing bottles	19	18	18
Pin curl clips	34	35	35
Razor blades	47	47	47
Reducing preparations	27	26	27
Roll-on deodorants	44	43	43
Routine infant formulas	84	84	84
Sanitary napkins	63	62	62
Stick deodorants	60	61	62
Suntan lotions & oils	17	17	17
Tampons	58	59	59
Toothbrushes (non-elec.)	32	32	31
Toothpaste	65	64	63
Women's hair dressing & conditioners	46	45	45
Women's hair spray	46	46	45

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

PHOTO SUPPLIES

This year photo supplies in food chains seem poised to migrate from old locations on the odd J-hook or endcap of checkout to fully fledged photo/imaging service departments. With America's love affair with all kinds of cameras showing no signs of abatement, the old reliable supermarket mix of 110 and 126 film and flashbulbs has been augmented by the superfast 1000 ASA, less expensive 35mm cameras, blank video tape, and even movie rentals for home VCRs.

Food store film processing has also grown apace over the past year. Ted Fox, manager of marketing research and analysis for the Photo Marketing Association International (Jackson, Mich.), estimates that the supermarket share of the film finishing business has grown from six to 10 percent within the past year. This translates into about $225 million in sales. "Hot products in food stores now," says Fox, "are 35mm and disc camera film; while 110 film is softening. Polaroid one-step cameras sell well in food stores, as do some of the smaller, less complex 35mm cameras—which are now being sold in about 65 grocery and convenience store operations."

Increased product lines and the introduction of video products to the photo supplies mix has made the prospect of a separate photo department seem much more feasible to some chains. Corpus Christi, Tex.-based H.E. Butt has already, or is in the process of, installing service counters in all their stores. "For photo, we have a counter-style drop-box for our processing operation and glass cases with cameras and film and other supplies. One person mans the department, where we also merchandise electronics products and franchise cosmetics," explains vice president of general merchandise Pat Dewane.

A separate photo service counter is especially important, says William Lawrence, marketing director for Fuji Photo Film (New York), for those stores that provide photo finishing. "It's best to have a central location for dropping off and picking up the film, and you need to have someone constantly present so the customer doesn't have to wait around."

Denver-based King Soopers, with 63 stores in the Colorado area, follows the Lawrence prescription for merchandising photo supplies and processing. "We have about eight feet of shelf space devoted to raw film, set up in an aisle adjacent to our photo service counter," says merchandising exec Tim Bellanti. "And behind the counter where a clerk is always available, we display the more expensive 35mm films and instant print films."

But the decision to allot department-size space to photo in a retail trade where "the battle for shelf space" can be particularly bloody requires some heavy justification. Per-

Continued on page 122

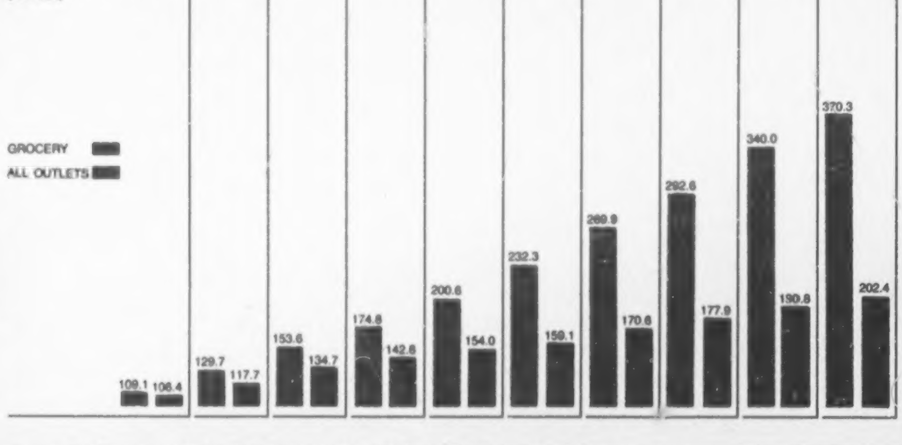
PHOTO SUPPLIES*

*Includes photo film processing, and flash bulbs and cubes. Excludes movie film.

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
ALL OUTLETS	$2,683,060	$2,967,930	$3,397,670	$3,602,210	$3,883,020	$4,011,810	$4,302,690	$4,486,750	$4,846,080	$5,140,600
GROCERY	$ 229,200	$ 272,340	$ 322,600	$ 367,100	$ 421,340	$ 487,810	$ 566,740	$ 614,480	$ 701,563	$ 763,640
(Add 000)										



DRAWING BY ROBERT STRIMBAN

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

BEER

Low alcohol is getting a lot of publicity, but the sales remain to be seen. The market as a whole is flat.

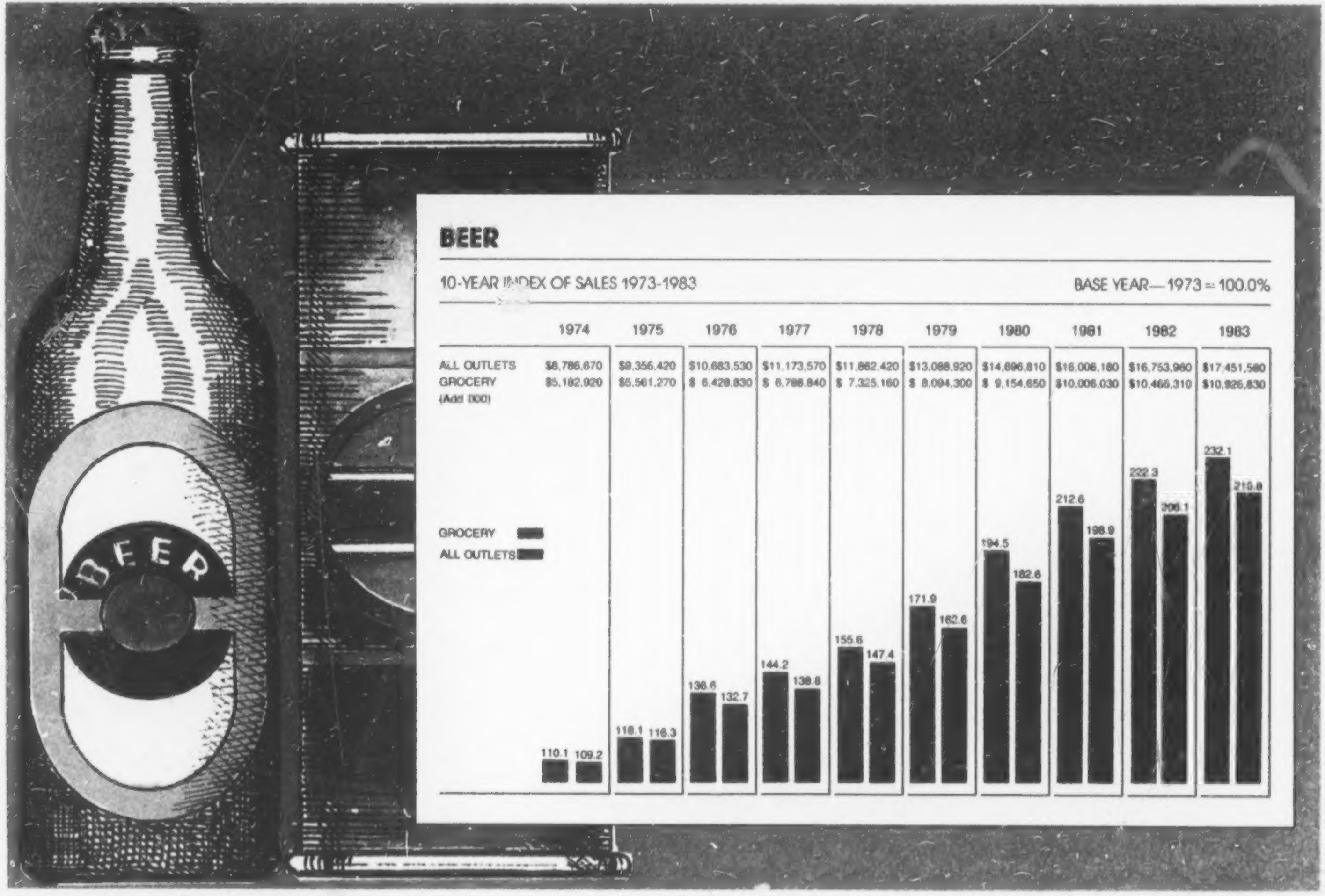
This has been, so far, a year of no-alcohol and low-alcohol beers, at least in terms of publicity. As for sales, it hasn't been much of anything, either for these new, relatively untested brands, or for the beer industry as a whole. Overall beer sales for the first six months of 1984 are down about one percent from the year before. There are exceptions: Anheuser-Busch and Stroh Brewing Company are having a good year, as are many of the imported brands, notably Van Munching's Heineken and the Canadian beer segment. But even among those brewers with sales gains, growth is nowhere near as strong as it has been in the past.

Beer consumption has been fairly stable, even stagnant, some would say, over the last couple of years. It's hard to say exactly why this is so. The slow growth of beer sales is especially surprising compared to the tremendous sales gains posted by brewers in the '60s and '70s. Some people believe that there is a national movement towards moderation, even a born-again temperance drive that has been responsible for changing beer drinkers' habits. There has indeed been a strong grass-roots movement against excessive drinking, especially coupled with driving; organizations such as Mothers Against Drunk Drivers (MADD) have gained much publicity and helped to bring to light the problems of alcohol abuse among young people. In addition, there have been efforts in many states to raise the legal drinking age to 21; a national drinking age of 21 is now being considered. This, of course, would have an effect on one of the strongest beer-drinking segments in the country currently, the 18- to 21-year-olds. These trends, however, don't fully explain the lack of strong, certain growth for beer in the recent past, when the market grew by three or four percent a year. The answer may lie with the fact that the U.S. population is getting older—the great sales growth in many consumers areas brought on by the baby boom generation is clearly waning.

"It's a lot more simple than people are saying. The baby boom is over," says William Hayes, The Stroh Brewery Co.'s national director of sales, explaining his reasons for sluggish beer sales in the industry. "There's not a tremendous national drive for moderation; there's a lack of young people, the strongest drinking segment. As people age, they usually tend to moderate their drinking habits. It's a question of demographics."

Some would argue against that, especially the activist groups promoting tougher drinking-and-driving laws and higher drinking ages. Some brewers, such as Anheuser-Busch, do feel that there is a trend towards moderation. Further than this, though, there are people who oppose the

Continued on page 118



BEER

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
ALL OUTLETS	$8,786,670	$9,356,420	$10,683,530	$11,173,570	$11,862,420	$13,088,920	$14,696,810	$16,006,180	$16,753,960	$17,451,580
GROCERY	$5,182,920	$5,561,270	$ 6,428,830	$ 6,788,840	$ 7,325,160	$ 8,094,300	$ 9,154,650	$10,006,030	$10,466,310	$10,926,830
(Add 000)										

DRAWING BY ROBERT STRIMBAN

In general, imports are doing extremely well, and the segment continues to expand.

BEER/CONTINUED

Continued from page 116

seeming blanket of beer ads on television, especially on sports programming, that they feel induce people to drink who normally wouldn't. Stroh's Hayes disputes this. "If we're causing people to drink who wouldn't drink, consumption would be up—and it's not. The major brewers are trading shares."

This is where the fiercest competition has been recently—among the top brewers. Anheuser-Busch continues to lead the pack, but Stroh has continually strengthened its market share (in this, the first year it is going national), as has Heileman. The Miller Brewing Company has not been having a good year—sales of Miller High Life are down—but it is trying to strengthen its position in the increasingly crowded popular-priced beer segment, an area that Miller had abandoned in the mid-1970's. Miller recently introduced Milwaukee's Best and Meisterbrau, both of which are doing well. Coors is attempting to strengthen its weakening sales by expanding into as many states as possible; results so far are mixed. Coors had lower barrel sales, net sales and net income for the second quarter and the first half of fiscal 1984. Beer shipments for the second quarter were down 5.7 percent. The company is still hopeful about sales in the states it's expanded into this year. The Pabst Brewing Company, the nation's sixth largest brewer, has had declining sales this year.

The price competition has been heavy among the brewers, and stores have had great success with specials this year, which has otherwise been an undistinguished one. "Sale beer has done exceptionally well," says a spokesperson for Dominick's Finer Foods (Northlake, Ill.). This has been true around the country.

If the major brewers are trading shares among the existing beer consumer, they are also trying to entice more people into buying beer with a newly expanded category, low-alcohol beer, which might capitalize on the tenor of the time, if this is a more temperate one. The biggest rollout has been for Anheuser-Busch's LA. Some industry observers feel that the scope of Anheuser-Busch's rollout implies that the brewer feels that the low-alcohol segment has great potential, and the company wants to have a firm toehold there.

Anheuser-Busch says that its LA has been so successful in its introduction that the company has accelerated the national distribution. "Since it was introduced into 65 percent of the nation in May," says Michael J. Roarty, executive vice president and director of marketing, "LA has been positively received by retailers and consumers. Accordingly, we'll make it available in the remainder of the country sooner than planned originally." The beer should be national by sometime in September.

A spokesperson from Anheuser-Busch adds, "The repeat on LA has been much better than anything we experienced before for new prod-

Continued on page 121

BAKED GOODS/CONTINUED

Continued from page 98

white bread rose 3.3 percent, and variety bread a shade less at 2.8 percent. Fresh biscuits, rolls and muffins saw a 2.7 percent price increase.

Price advances were somewhat higher for sweet goods, with fresh sweet rolls, coffeecakes and doughnuts up 4.4 percent, and cakes and cupcakes up 4.0 percent

This moderate price climate helped commercial baked goods face up to a sales increase of 19.1 percent in the instore bakery sector. This aggressive advance is the result of both more instore installations coming onstream and increases in average sales per store.

Commercial bread and rolls managed a 2.9 percent increase in sales, close enough to the price rise to suggest tonnage remained about the same as 1982. With only a 2.7 percent increase in sales of sweet goods, however, tonnage appears to have eroded slightly.

Well-bred bread

In the 10 years ending in 1982, per capita consumption of white bread fell by 42 percent to 25.8 pounds, causing many white bread plants to shut down their ovens. While white is still the largest seller, however, consumers are increasingly drawn to variety breads.

Major bakers, like ITT Continental Baking Co., continue to develop new variety bread products like the company's Soft Wheat, which was formulated to provide an alternative to the dense, coarser whole-grain varieties that children tend not to like. The company is also testing several other varieties of dense wheat breads.

Bread is frequently one of the first foods to be scuttled when a weight-reduction regimen is initiated. The importance of bread in providing necessary carbohydrates is often overlooked.

A 1982 endorsement by the U.S. Surgeon General in which he characterized wheat foods as abundant, inexpensive and nonfattening is currently being printed by some bakers on their packages of white bread.

To react to consumer concern about sodium, the industry will have to communicate the special roles salt and sodium compounds play in bakery products:

(1) Enhancing flavor.
(2) Helping to control fermentation.
(3) Providing desirable gluten characteristics.
(4) Forming part of chemical leavening systems.

Unlike other foods where sodium is used to "hype" the taste, in baked goods sodium levels cannot be arbitrarily reduced without fundamentally changing the nature of the product.

As American as croissants

It's rare that a product registers a success simultaneously in three different departments of the supermarket, but that has been the case with croissants. In the frozens department Kitchens of Sara Lee offers a line of croissants; in the baked goods section, Pepperidge Farm presents its packaged fresh croissants; and in instore bakeries, according to recent research among operators, croissants are hailed as the most successful new products of 1983.

Continued on page 121

Price competition has been heavy among brewers, and stores have had great success with sales of just about any brand.

BEER/CONTINUED

Continued from page 112

ucts. In that sense we're very pleased. Off-premise is doing better than on-premise sales, and we expected it to be just the reverse."

Some retailers don't feel that the low-alcohol segment is performing that well just yet—it's too new. "It's not really selling well yet," says Raymond Tadry, vice president of Lloyds Shopping Centers (Middletown, N.Y.). "In fact, the no-alcohol line is doing better. But something like low-alcohol takes a couple of years to break in."

At Dominick's Finer Foods, "Low-alcohol is just getting started, and so far sales have been small."

Anheuser-Busch says, "We anticipated that when we got into the LA process, it would be an educational program. We knew a lot of people would be reluctant to try it for any number of reasons; the trial has been about what we anticipated."

Some brewers feel that the low-alcohol category will take beer drinkers away from the light beer segment. "We think people who drink light beer are more likely to make a further jump to the low-alcohol beer segment," says Hayes of Stroh. At Heileman, the thinking is that a new market segment can be developed. John Pedace, vice president, marketing, says "Our LA beer is doing quite well. We think low-alcohol might take a little share away from the light beer segment, but there's a market out there for the person who could be a 'soft' beer person—physical fitness people."

It is typical of the highly competitive marketplace now that most major brewers have already come up with low-alcohol beers or are considering one. Anheuser-Busch is the first to make such a full-scale commitment to the low-alcohol category; the brewers that do have low-alcohol brands are proceeding more cautiously. Miller Brewing Company has entered its new low-alcohol Sharp's LA brand into five markets. Heileman's Blatz LA and Black Label LA are in certain markets. Stroh brought out Schaefer Low Alcohol in test markets, and other low-alcohol beers are being formulated and brought out on a limited basis by other brewers.

Retailers feel that the light-beer segment isn't performing as well as in the past; perhaps there is oversaturation here. This is a situation that probably will not ease up in the near future, since brewers are very confident of this category. Miller Brewing's Miller Lite is now the number two brand, behind Budweiser, having overtaken the relatively sluggish Miller High Life. And Anheuser-Busch's Bud Lite is doing "especially well," the company says. "We think it might be the largest-selling light beer in the industry, but we still have a long way to go if we want to be number one." Miller is confident enough in the light category to add Meisterbrau Light to its popular priced segment.

Among the imports, Amstel Light, from Van Munching & Co., is doing remarkably well; it appears that Amstel Light is becoming one of the top imports, Van Munching says. Beck's, the popular German import, perhaps in response to

Continued on page 122

BAKED GOODS/CONTINUED

Continued from page 118

The permanence of the croissant in American affections remains to be proved. But before it wears out its welcome, it's likely to be stuffed, iced, seeded and suffer other mutilations that would render it unrecognizable back in its Gallic birthplace.

How the cookie crumbles

The core group of cookie aficionados—those between ages five and 19—fell in number by 1.4 percent a year between 1977 and 1983. In real terms, cookie shipments were reported to have dropped by 6.3 percent in 1983.

Despite such seemingly unfavorable factors, the cookie sector is drawing formidable new competitors into the business, mostly to market the new soft, chewy cookies that are elbowing some traditional offerings off the shelf.

The soft, chewy cookies are typically made by a two-step baking process using two separate doughs. A crisp outside dough encases a soft one (given that property by corn syrup) within. Special foil-laminated packaging is used to preserve freshness.

That marketing cookies is no children's game is documented by a rundown of the list of muscular competitors:

☐ In its debut in baked goods, Procter & Gamble is putting its considerable weight behind Crisp & Chewy line under the Duncan Hines label.

☐ Frito-Lay, credited with originating the soft cookie concept, has augmented its Grandma's line with Rich 'N' Chewy.

☐ Nabisco Brands USA is defending its traditionally strong cookie turf with Almost Home.

☐ Keebler Co. is countering with Soft Batch.

While the cookie aisle has been clogged with test market promotions for the auditioning soft, chewy lines, crackers have been quietly increasing their sales.

In statistical reporting, governmental agencies usually report cookies and crackers together. But a breakout reveals that crackers' share of constant-dollar shipments rose from 46.8 percent in 1977 to 50.1 percent in 1983.

Part of the answer is more favorable demographics than that accorded to cookies. The prime cracker eaters—those between 20 and 49—rose in number by 2.6 percent a year between 1977 and 1983.

Among those seeking more than a few crumbs from this market, Pepperidge Farm is introducing a Distinctive Line of Crackers.

The baked goods section of the supermarket lost the spotlight over recent years to bright new instore bakery departments, and even to the innovative baked products that were added to the frozens department.

These days, however, branded bakers seem increasingly adept at identifying and satisfying changing consumer tastes. Be it darker, more textured breads, softer, chewier cookies, or a borrowing from the Continental repertoire like the croissant, there's the aroma of something new coming from those giant ovens. And there's the sign of new vitality in the baked goods department. ■

—ROBERT DIETRICH

BEER/CONTINUED

Some brewers feel that low-alcohol beer drinkers will come from the light beer segment.

the success of Amstel Light, is considering introducing a low-calorie version of Beck's.

In general, the imports are performing extremely well; sales are up about 10 percent this year. Some retailers say that people are beginning to buy imports more at supermarkets than in the past, as more Americans grow comfortable with the idea of imported beers. (Perhaps, too, the new, upscale supermarkets prove a better selling ground.) Kronenbourg has been growing at a rapid clip; sales are much better than predicted, the company says. Heineken is the leader by far among imports, but other brands, especially those from Canada and, to a lesser extent, Mexico, are beginning to show strength. Van Munching has just started brewing its own Canadian beer, Grizzly, and it appears to be a winner. Molson is the top Canadian import, but Moosehead is not far behind. A wide variety of Canadian beers have penetrated the U.S. and the market seems ripe for the products.

But imports in general are only a small, if growing, portion of the beer industry. The big three, Anheuser-Busch, Miller and Stroh, are formidable competitors indeed. Anheuser-Busch has increased its dominance in the market, from 34.1 percent for the first half of 1984, up from 32.5 percent for the first six months of last year. Stroh is up 3.5 percent for the first six months of this year and one of its brands, Schaefer, has performed 100 percent better this year than last. Miller, the nation's second-largest brewer, is having some troubles, and is examining the positioning of Miller High Life. There have been some personnel changes recently at the brewery. At Heileman, the fourth largest brewer, sales are about even or a little less than last year.

The fact that the industry is no longer really expanding means that the competition between the mighty giant brewers will be extremely turbulent. We can expect more price wars and heavily promoted new additions, as brewers hope not only, with luck, to gain a greater edge over the others, but prevent their own share from eroding. It's a market with a steady, perhaps dwindling, number of beer drinkers. ■

—BOB HUGHES

PHOTO SUPPLIES/CONTINUED

Continued from page 114

haps the most potent "pro" argument involves gross dollars and profitability. "With an average price per unit of $7 plus, it doesn't take a whole lot of photo sales to fill up the register," points out Jim Hilderbrand, Polaroid's national marketing mgr., supermarkets.

"In addition," Hilderbrand continues, "a separate photo department is extremely important in positioning the food store in the customer's mind as a photo supplies and processing center.

H.E. Butt's expanded photo mix and quasi-departmental status have helped boost sales of product and of processing which, says Steve Jerkins, operations manager of HEB's photo processing center, "is up 40 percent this year in volume of film processed." The Texas chain also features about 13 SKUs of cameras—everything from disc cameras and instant-imaging models to the less expensive 35mm cameras.

Still, not every chain sees the advantage of adding camera inventories. "Camera sales seem to violate the supermarket retailer's basic orientation to volume sales and quick turns," says PMA's Ted Fox. Kodak agrees that the value of a separate photo department or an expanded photo supplies mix will depend upon the supermarket's basic attitude toward general merchandise, levels of profitability vs. volume and turnover, and the sale of hard goods.

One thing on which both suppliers and food retailers agree is that the supermarket has become one of the most important outlets for film, accessories and processing. "Our business with supermarkets has been growing at a constantly accelerating pace," says Polaroid's Hilderbrand. "During the past year alone growth was in the double-digit area."

"The convenience of the food store as a film processing drop-off point is gradually beginning to take hold in the consumer's mind," says Fuji's Bill Lawrence.

The major film suppliers are showing interest in supermarkets as distribution centers by developing special allowances, promotions and deals. Kodak, according to Allan Karcher, has improved the design of film racks with food stores in mind and has increased rack display allowances. Polaroid, according to Jim Hilderbrand, has developed consumer promotions that are easier for the food store retailer to qualify for, has designed special pre-pack displays, made available stock exchange programs, and developed various types of co-op advertising with special provisions for the supermarket retailer.

"There're some lucrative dollars available from the film manufacturers, and we take advantage," says Bellanti of King Soopers.

Advertising and frequent promotion are deemed essential to photo supplies and processing, not only to build traffic but to impress upon the supermarket customer that the store is seriously in the business.

Film processing is an area that's growing very fast in many supermarket chains. H.E. Butt's in-house film lab, introduced about two and a half years ago, has already become an important profit center. "Photo Place" guarantees one-day turnaround on film from two-thirds of the HEB stores and two days on the rest.

"I expect supermarkets to pick up a bigger and bigger share of the film processing market," says Fuji's Bill Lawrence. "The food stores' competition for that business today is no longer the shopping mall kiosk or the mail order deal, but the one-hour lab that features that quick turnaround. If food stores want a great piece of that market, they'll have to compete with these labs—perhaps by having their own minilabs on premises."

Several industry sources report that already some supermarket operations have installed minilabs. "I expect more and more stores to get involved in minilab processing," says Lawrence. "The labs themselves are becoming smaller, easier to operate and less expensive to install—the plumbing, for instance, has become a lot less complex. And this is what's needed for the labs to thrive in the food store environment—they have to take up very little space, not be too expensive, clean, and simple to operate."

Hot product categories include the new Kodak film products, especially the new superfast films, and the simplified, less expensive 35mm cameras.

Video products are also finding a natural home in supermarkets' photo supplies departments. "We're selling blank video tape and it's doing extremely well," says Dewane. "We also rent VCRs and the VHS movies. It's a lucrative new category, and promotes return customers." King Soopers also test marketed JVC blank video tape, which sold very well for under $10 dollars.

"The video business is growing very rapidly," says Polaroid's Hilderbrand. "Right now the deck is being shuffled, and if you want to be a player you had better jump in right now. Because right now is when customer buying habits are being established. ■

—R.F. McCARTHY

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

TOBACCO

To ignite sales, the tobacco industry is packaging in new sizes, adding lower-priced brands and, of course, coming out with new kinds of smokes.

In the business of selling cigarettes, the name of the *new* game is "price stratification." Until recently, all cigarettes (except for those easily identifiable black and white packages of generics) were sold by an individual retailer at the same price. What's more, every pack had 20 cigarettes and every carton had 10 packs. No longer.

Manufacturers have begun to experiment with new packings (so far just 25's) and new prices. Whatever the fallout in the eternal battle among the six major manufacturers for share of market, some changes in the way supermarkets sell smokes seem unavoidable—although not undebatable.

Before examining which way the smoke is blowing at the checkout, here's a rundown of some of the innovations coming out of the tobacco companies:

☐ Last year R.J. Reynolds Tobacco Co. brought out Century in a 25-pack selling at the same pack price as 20-pack brands. Brown & Williamson Tobacco Corp. subsequently hung its Richland 25s on the same marketing peg.

☐ Doral, a name with which many smokers were familiar although few still bought the product, was affixed by R.J. Reynolds to a reformulated "discount brand." The ads promise "generic prices."

☐ Philip Morris is also fishing the 25-pack waters with tests of Marlboro Red and Marlboro Lights. Priced at a 20 percent premium, these 25-packs are positioned as offering smokers convenience rather than savings.

☐ Liggett & Myers meanwhile is testing "mid-priced" Stride, which sells for ten cents less a pack than conventional brands.

After the Fall?

Why are the tobacco companies applying their superpower marketing tools to demolish the uniform-pricing structure that has served them so well for so long?

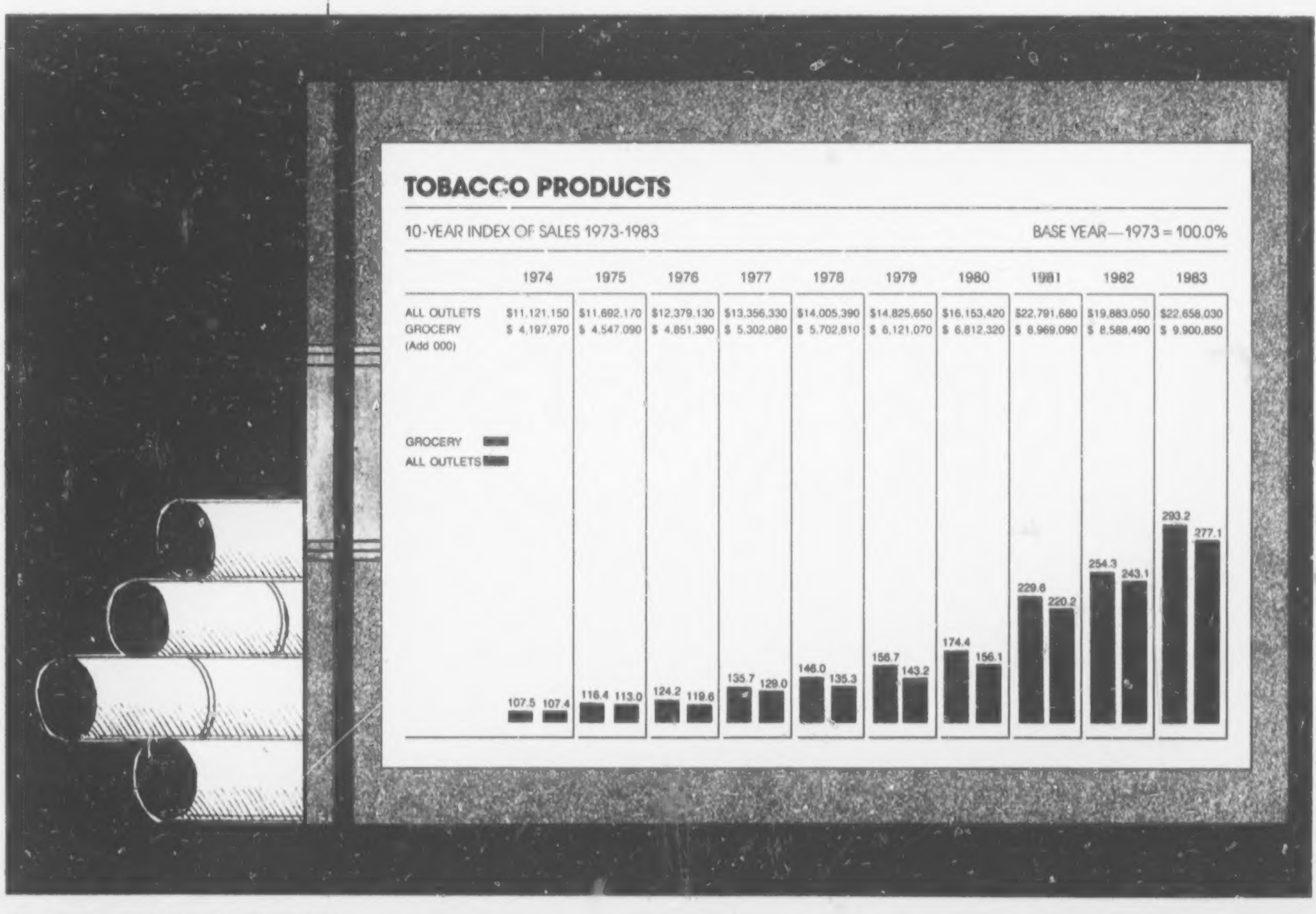
Obviously part of the answer is a new willingness to counterattack generics with *price* rather than image. Another may be desperation to increase, or at least to hold onto, market share in an industry whose total annual sales tonnage "may have seen its highs."

That's the word from John C. Maxwell, Jr., A.G. Becker Paribas, whose compilation of industry statistics is the acknowledged standard.

After recording a tonnage decrease of 4.5 percent in 1983 and 2.1 percent for the first half of 1984, Maxwell now expects 1984 to shake out with a one percent drop. "It all depends on generics," Maxwell says, "and whether they can pull people back in the market."

Maxwell's long-term gloom regarding the industry's outlook is influenced by both federal and state excise taxes as well as by increasingly outspoken anti-smoking pressures. "There are about 70 mil-

Continued on page 126



	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
ALL OUTLETS	$11,121,150	$11,692,170	$12,379,130	$13,356,330	$14,005,390	$14,825,650	$16,153,420	$22,791,680	$19,883,050	$22,658,030
GROCERY (Add 000)	$ 4,197,970	$ 4,547,090	$ 4,851,390	$ 5,302,080	$ 5,702,810	$ 6,121,070	$ 6,812,320	$ 8,969,090	$ 8,588,490	$ 9,900,850

DRAWING BY ROBERT STRIMBAN

One future trend in cigarette marketing may lie in the premium pricing arena.

Continued from page 124

lion smokers," he says. "If each one gives up *one* cigarette a day because of restrictions on smoking in a restaurant or in a place of work—well, it adds up."

Maxwell is among those who see experimentation with price stratification as more than a mere flash in the ashtray, and predicts that the future may bring premium pricing in addition to the current variations of discount pricing.

Martin L. Orlowsky, senior vice president, marketing, for R.J. Reynolds, points out that the seemingly revolutionary concept of multiple pricing for cigarettes is commonplace in other countries. "In Europe," he says, "in addition to multiple pricing, you find different counts to the pack—18, 22 or 25, for example."

"In every other product category in the supermarket," Orlowsky continues, "there is multiple pricing. The fact that cigarettes had a more uniform pricing structure for many years doesn't mean it should *always* be that way if the consumer demonstrates interest that goes beyond it. This is just a new marketing fact of life."

It's still too early to say whether price stratification is here to stay, according to Orlowsky. "Ultimately the smoker will influence what the outcome of these pricing changes will be. A manufacturer can offer different price points, but the deciding factor is whether the smoker will accept them."

Fire at the Checkout

Before the smoker has the opportunity to cast a vote, the tobacco companies may have to do some more electioneering among retailers, some of whom were quite happy with a system where all brand prices were created equal, thank you.

"It was a blow to us when RJR brought out Doral to sell for the same price as generics," says Jack Gettinger, who buys cigarettes for the 76 supermarkets of Marsh Supermarkets (Yorktown, Ind.). "It looks like any other brand label and is confusing to our cashiers."

"Doral is a branded item," says Frank Sisson, of the Midwestern Division of Allied Supermarkets, Inc., Oklahoma City, "and all the branded (cigarette) items in our stores retail at the same price. I don't want it in my stores because I don't want to confuse the checkers with the retail price structure on it." Sisson says his generic cigarettes are doing really well, showing "a good increase compared to a year ago."

Harold Simpson, manager of Hamilton Harris & Co., a tobacco distributor based in Richmond, Ind., believes that while brands coming through with different prices will cause "a major problem" for checkout clerks, "the supermarkets will have to change their operations to carry them." "Dorals are selling," Simpson reports, "because they really offer consumers some value."

At American Community Stores Corp. (Omaha), Nancy Gillespie says the checkers in the company's 38 Hinky Dinky stores shouldn't have any problem checking out cigarettes at the right price. Prices are listed at the checkstand for checker lookup. "Our checkers don't have any problem looking up dozens of produce prices," Gillespie reasons.

At Smith's Management (Salt Lake City) Jay Arben, who's responsible for buying cigarettes for the company's 46 supermarkets, reports that there have been no problems with Dorals even in his nonscanning stores. "Doral will open up the tobacco market," Arben asserts. "It's been a closed market too long. We look forward to more competitive pricing. Everything else in the supermarket sells at different prices. It's time that tobacco did, too."

The new Dorals have been available nationally only since July. RJR's Orlowsky says that the new pricing structure "has been accepted by the trade and by retailers in a very positive manner," with no substantial negative reaction.

To accommodate Doral, Maxwell has changed the generics category in his product movement reports to read "generic/discount brands." No one seems quite sure, however, whether branded discount cigarettes are chasing the same market as generics or tapping a new one.

Orlowsky describes the target for Doral as "price-sensitive smokers, a group with a concern about the everyday price of cigarettes that's been on the increase since the rise in federal excise taxes at the beginning of 1983." Doral's lower price, according to Orlowsky, is facilitated not by a lowering of quality but rather by a restraint in "marketing support."

Hoping for giant Strides

The question of whether or not Dorals are chasing generics smokers is also of some interest at Liggett & Myers, the progenitor of generic cigarettes (although lately challenged by Brown & Williamson, as we'll see later on). "It's too early to be 100 percent sure who Doral's target audience will be," says Harold Grant, Liggett's vice president, marketing, "but I think they'll take from the branded end more than from the generic end."

Grant says generics are "doing very well," and discounts reports about declines, attributing them to glitches in shipment figures resulting from the brands and generics taking price increases at different times. (Maxwell gives generics a substantial four to four-and-one-half percent share.)

With every quarter bringing an increase in generics' market share, Grant predicts continued expansion at least through 1985. At the same time Grant welcomes the advent of branded competition at different prices. "Now that prices are breaking," he says, "it won't be as difficult for different prices to be established."

To wit, Liggett is trying to establish a new price level for branded cigarettes with its testing of Stride, currently in progress at Rochester and Syracuse, N.Y., and Omaha, Neb. Stride is priced 10 cents a pack and $1 a carton below other brands. Essaying what he calls a "mid-priced concept," Grant is going after price-oriented consumers but trying not to draw them from the generics smokers Liggett already sells to. "There's another pocket of consumers that won't go down to black-and-whites, so we supply them with first-class packaging—the imagery—but they still get to save."

Stride's advertising slogan—"Where Taste Runs Rich"—plays off its logo of a trotter and buggy.

Packing a twenty-five

The term "value added" came to the cigarette world last year when RJR introduced Cen-

Continued on page 128

Retailer enthusiasm for 25-packs is often muted because of difficulties in physically handling them.

Continued from page 126

tury, a 25-pack cigarette sold at the regular price. While idiosyncracies in local stamping and tax laws at first impeded Century's spread, as of this month it will be available to 89 percent of the U.S. population.

RJR's Orlowsky draws a rigid boundary line between Century, which he calls a value-added brand, and discount brands like Doral. While Century's target smokers are value-oriented, and have given the brand a generous one percent market share where it's available, Orlowsky says it's too early to tell just how different Doral smokers will be from Century smokers.

Espousing the same concept as Century, Brown and Williamson's Richlands have been somewhat slower, by design, off the new product launching pad. "We believe Richland has great possibilities," says Mark Ahearn, a spokesperson for B&W, "but we're taking it carefully. We initially rolled out in nine states and we're adding a tenth test area. We're still looking at this segment. We recommend a retail price equal to a branded 20-pack."

Enthusiasm for 25-packs is sometimes more muted among chain buyers because of difficulties in physically handling them. Allied's Sisson notes that this packing variation requires a different piece of equipment for state tax stamps. Dealing with stores in three states, he finds it's simpler not to warehouse 25's, but to let distributors bring them in instead.

Richard Petrone of Almacs, a 41-store chain based in East Providence, R.I., calls 25's "very confusing, completely unnecessary."

Philip Morris is taking the 25-pack concept and adding something of its own—a price premium. With 25 percent more product than conventional branded packings, Marlboro Red and Marlboro Lights (being tested in Spokane and Indianapolis) will command a 25 percent higher price.

"These are targeted for smokers who are looking for a more convenient pack with more product in it," Tom Keim, a spokesperson for Philip Morris, stresses. "This is not a 'value' proposition." Keim says that research among Marlboro smokers indicates that many smoke 25 cigarettes a day and would be expected to buy a pack that more closely approximated their consumption.

Keim stresses that the Marlboro 25's are still in test at this point. "We don't know where price stratification will go. That's why this is being tested."

Jack Gettinger of Marsh describes the new Marlboro packings, which are being offered in his area, as "an inconvenience for us to handle. We have not purchased them. It doesn't offer any savings to the consumer. It's just another way of getting people to smoke more."

In the same market, Harold Simpson of Hamilton Harris & Co. reports that some supermarkets have opted to sell the Marlboro 25's only by the carton, as the carton price is the same (having eight packs) as cartons of conventional 20's.

Philip Morris's Keim says simply, "There's always *some* resistance to price changes or new configurations in packaging. Our field sales group has the responsibility of helping them out at the retail level."

The extensions are busy

While brands that are defining new price stratification niches have the highest noise level these days, new brands, brand relaunchings and brand extensions also set off competitive crossfire.

At Lorillard, a division of Loews Theatres, Inc., Richard H. Orcutt, senior vice president, sales, reports that the company's successful Newport brand, which countered a soft market during the first six months of 1984 by registering a four percent increase in sales, is getting a chance to become even more successful with the introduction of two extensions—Newport Box 100s and Newport Lights Box 100s.

Orcutt explains that the extensions have been planned to capitalize on the fact that 100s are the fastest-growing cigarette segment, and boxes are the fastest-growing packaging segment. The company is also offering Kent III in a 100-box extension starting this month.

In July, The American Tobacco Company went national with its extensions Lucky Strike Lights and Lucky Strike Lights 100s. The company has also been nurturing Carlton Slim Deluxe 100s through test markets and will go national with it in October. "This is a luxury cigarette with deluxe packaging for the woman smoker," says William J. Moore, vice president, advertising.

To help influence that woman smoker, the company is offering to purchasers of cartons of Carlton a free copy of an Avon "romance" book, *When Love Commands* by Jennifer Wilde. A carton end and one dollar for handling brings "Love."

Dan Conforti, a spokesperson for American Tobacco, says, "While we're concentrating on extensions of our existing brands, Carlton and Lucky Strike, we are watching generics and 25-packs to see the reaction (1) from the consumers, and (2) from the retailer. The generics appear to have bottomed out at just over four percent and we're going to concentrate on our own brands for the time being."

Under new sails

Something more than an extension, and something less than an introduction, is the "relaunch." This is, in effect, a major effort to stress some major new aspect of an existing brand. Lorillard's current relaunches are True and Satin.

According to Lorillard's Orcutt, True is being backed by the equivalent of "major launch expenditures" to communicate the news of the laser-cut filter which, Orcutt says, gives this ultra low tar "better taste characteristics with more even filtration." The advertising and package both show a cutaway illustration of how the filter is constructed.

Last year's introduction of Satin won a substantial amount of initial trial through such merchandising gambits as free satin pouches, but then faltered. "We found that we should have had a more elegant packaging presentation," says Lorillard's Orcutt. Backed by substantial advertising, Satin was swathed in more appropriately elegant trappings as of last April.

With both Carlton and Satin staking out the female-luxury market, other brands in the expanding luxury segment are genderless in their appeal to probable fans of "Lifestyles of the Rich and Famous." Players, the Philip Morris entry that was the first to identify and

Continued on page 173

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

SNACKS

Snacks soared, and they weren't a chip off the old chip. New products—especially Mexican—spurred on terrific sales.

If it's nacho-flavored or Mexican-sounding, it sells. Unless it's in the Southwest, where Mexican is old hat and snack buyers are gobbling up the sweets.

Snack food sales hover around the $6 billion mark annually, according to latest Consumer Expenditures Study figures, and industry researchers indicate that 75 percent of that revenue comes from supermarket sales. Snacks can be a high-profit item both for supers as well as manufacturers, which may be why, according to Marketing Intelligence Service, Ltd., a research firm based in Naples, New York, there were more than 344 new snack products introduced on store shelves during 1983. That compares to 241 new products for the previous year, or a 43 percent increase.

Among the new products were such items as Reisman Whole Grain Wheat Stix, Vege-Soy Chips, Amsnack Rice Chips, Health Valley Carrot Chips and Bob's Original Turkey Jerky. If those names have a different ring to them, it's because the snack industry, at least among the smaller, regional manufacturers, are jumping on the natural foods band wagon.

Most snack items are produced by small, regional companies, some 250 of them scattered around the country. And if research by the Consumer Network, a Philadelphia-based consulting company specializing in attitude and satisfaction research, is accurate, the smaller companies may be more closely in tune with consumer demand than the larger manufacturers. On the basis of a questionnaire answered by 645 panelists ranging in age from 16 to 85, Consumer Network reports that snack-eating consumers want flavor accompanied by less salt, fat and sugar. They also want better packaging. The survey also indicates that while the major snack brands are perceived as high-quality items, the younger consumers are not nearly as sold on that quality as their parents and grandparents. Consumers in general complain that the nutrition profiles of traditional salty snacks are out of synch with today's buying trends.

Snack buyers from supermarket chains around the country only partially confirm this consumer perception.

Ken Johnson, head grocery buyer for Hannaford Bros. Co. (Scarborough, Maine), acknowledges that shoppers at his company's 73 stores in northern New England are looking for "healthier" snacks but the old favorites in the chips category are holding their own. Doritos remains the number one seller for Frito-Lay, and private label potato chips are also popular. Unsalted potato chips have shown an increase in sales, according to Johnson. The major trend, however, is towards Mexican flavors, which are extremely popular.

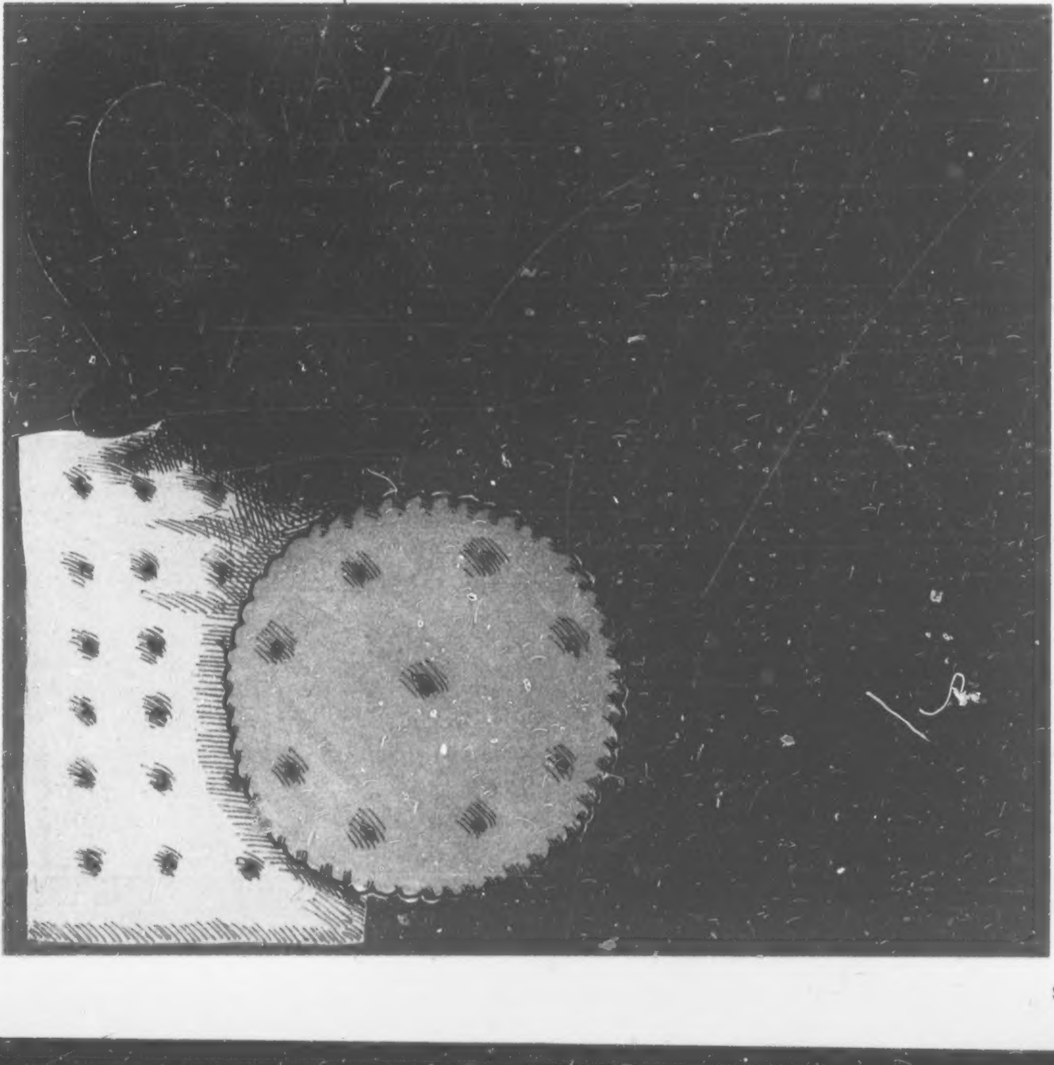
Hannaford shoppers are also fickle when it comes to snacks, according to Johnson. "People are not brand loyal when it comes to snacks. There's a tremendous amount of promotion of products on the part of manufacturers and what's advertised, or on display, is what sells," he says.

Johnson would like to expand the snack category in his stores but can't. "Snacks are a very profitable category," he says, "but shelf space is restricted because we have to sell other things as well."

"Nacho flavor is taking off," says Diane Gadd, buyer for Red Owl Stores, Inc. (Hopkins, Minn.). "Anything that has anything to do with Mexican is a top seller," she adds. Consumers in Red Owl's 75 stores are also doing their part to keep potato chips in the front-runner position among all snacks. Gadd reports that rippled chips have for the first time outsold the plain variety and that cheese-flavored potato chips are also popular items. Red Owl has increased shelf space only for private label items. Overall, generic snack items are doing well.

Potato chips account for about 40 percent of all snack items and are bought by eight

Continued on page 158



DRAWING BY ROBERT STRIMBAN

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

DAIRY

Still ahead of the herd in dairy was yogurt; natural cheeses try to hold their own against imitations.

People may not be drinking more milk but the milk they drink is more likely to be low-fat. Yogurt is what consumers are buying, the hot item across the country, with supers scrambling to find shelf space to accommodate new products. While shoppers indicate a growing interest in natural products, particularly cheeses, the dairy industry remains concerned about imitations.

"There must be something going on out there. I can tell by the number of yogurt calls we get from consumers," said a spokesperson for the American Dairy Association. What's going on is that yogurt sales continue to rise, with new regional and local entries to the field appearing almost monthly.

Bob Bowman, dairy buyer for Shaw's Supermarkets, which operates 41 stores in Maine, Massachusetts and New Hampshire, reports that yogurt sales are still increasing after many had predicted the demand would level off. "We don't have enough space for them, although we have increased our capacity somewhat by adding free standing eight-foot cases." Within the yogurt category, it's the low-calorie that shows the most increase.

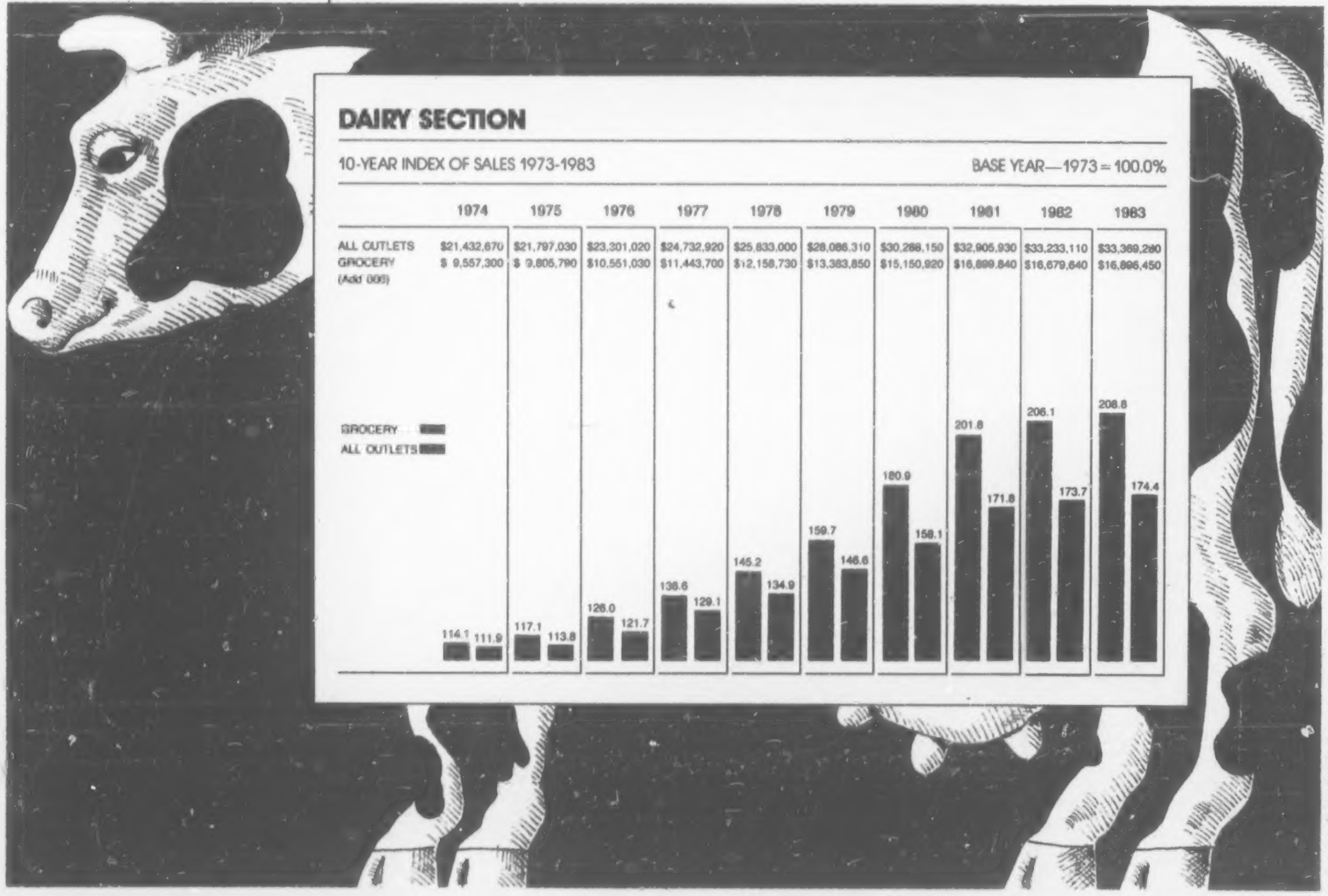
"Yogurts are taking off, in all sizes," says Dennis Ferguson, buyer/merchandiser for Raley's, the 40-unit chain with headquarters in Sacramento, California. Because of the demand in his stores for yogurt in all flavors and sizes (from 6 oz. to 32 oz.), Fergurson says Raley's has just introduced a private label, four-culture yogurt (most are two-culture) called Captain Carrot, which is also selling well.

A spokesperson for Dannon, the New York City-based industry leader, confirms the growth in yogurt sales. Dannon, with a 25 percent market share, reports unit volume up by 10 percent in 1983 and expects that growth to continue. Supermarket sales topped $700 million for all yogurts in 1983 and Dannon maintains a healthy concern for the opposition. "You don't get rich by underestimating the opposition," said the Dannon executive.

General Mills' Yoplait, with a 12 percent market share, may be Dannon's closest competitor nationally but, due to the large number of local or regional brands that have been introduced in the last year or so, consumer choice varies considerably. Stan Esson, grocery buyer for Red Owl Stores (Hopkins, Minn.), cites Kraft yogurts as some of the favorites in the chain's 75 stores in the northern Midwest.

A dairy buyer at A&P's Montvale, N.J., office confirms that in his company's 1,111 stores shoppers are buying many brands rather than just one or two. "There seems to be a trend towards the six-ounce cup, but all the brands and all the flavors seem to be doing well," he said. Breyers, Kraft's

Continued on page 140



DAIRY SECTION

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
ALL OUTLETS	$21,432,670	$21,797,030	$23,301,020	$24,732,920	$25,833,000	$28,086,310	$30,288,150	$32,905,930	$33,233,110	$33,369,280
GROCERY	$ 9,557,300	$ 9,805,790	$10,551,030	$11,443,700	$12,158,730	$13,383,850	$15,150,920	$16,899,840	$16,679,640	$16,896,450
(Add 000)										

DRAWING BY ROBERT STRIMBAN

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

DIET FOODS

Diet foods are throwing their weight around the supermarket, but shedding some of the "diet" name in favor of snazzier packaging and a more "healthful" approach.

Lean and natural seem to be the choices of weight-conscious consumers as manufacturers of dietetic products struggle to shed old images and catch up with the national interest in healthy eating instead of dieting. Meanwhile, new product manufacturers are quick to avoid the dietetic label.

Supermarket representatives report that sales of what can be categorized broadly as diet foods vary greatly with the category of product. "The entree category is definitely growing," says Peter van Vlerken, grocery merchandiser for Bi-Lo, Inc. (Mauldin, S.C.), "We've increased shelf space for frozen dinners because they're doing so well and we've added some low-salt, low-calorie canned products."

While shoppers in Bi-Lo's 130 stores in the Southeast are buying frozen dinners, many of the canned items are very slow moving, according to Vlerken. "We will carry products even if they are slow moving, only because we feel we have to offer the specialized products to our customers," he says. Many of the slowest-moving items are the traditional, dietetic canned products which, according to Vlerken and other market buyers, continue to lose ground to new lines of no-salt, no-sugar added fruits and vegetables. There have been some good sales of diet butter/margarine products in Bi-Lo stores.

Consumer buying at Bi-Lo stores is similar to that in other parts of the country. Supers report that weight-conscious shoppers are shunning the dietetic products in favor of those that, while aimed at the diet market, are also being marketed to the growing numbers of health-conscious shoppers. That marketing effort has been successful.

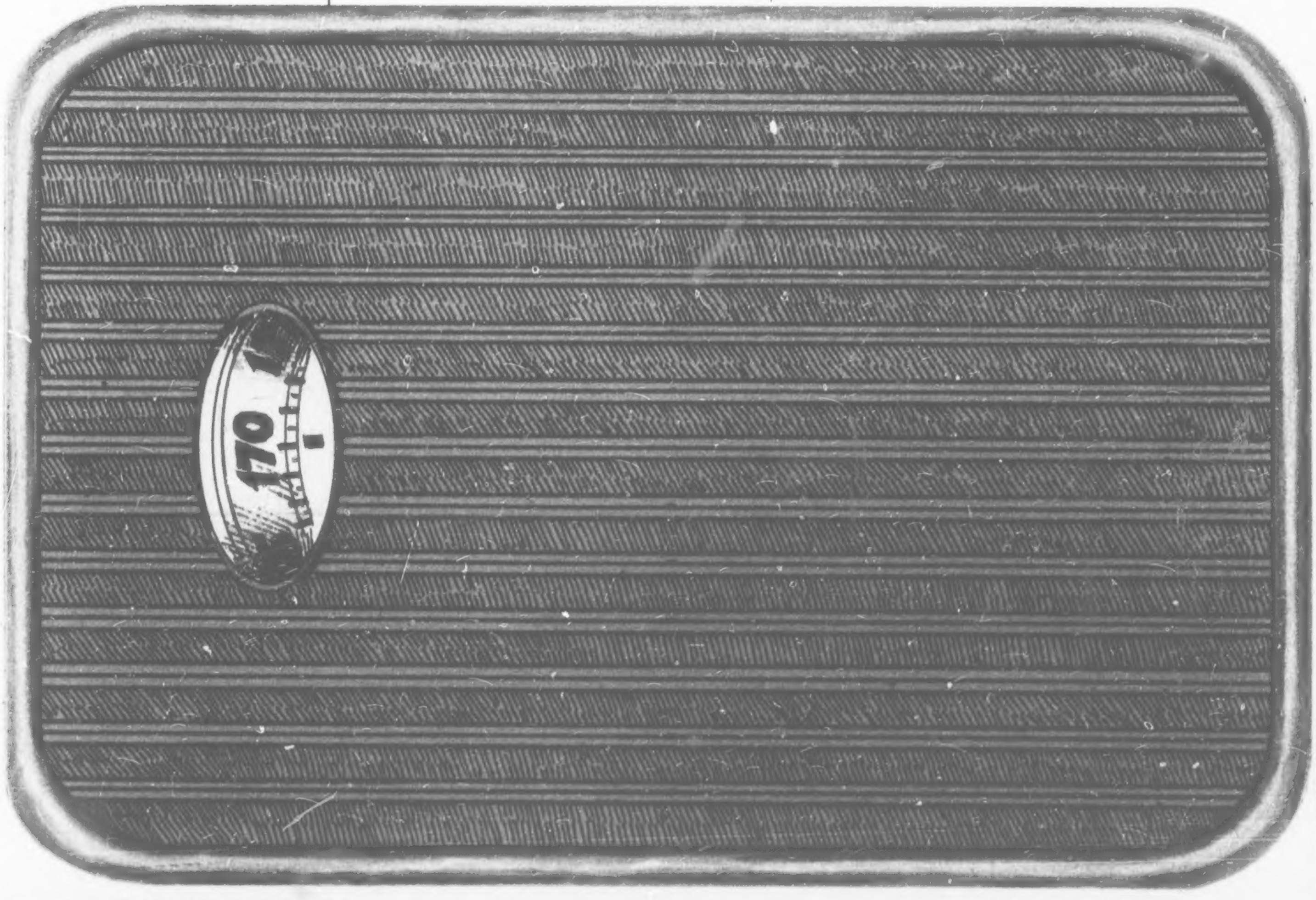
Bob Kiesl, grocery buyer for Kohl's Food Stores (Milwaukee, Wis.): "Frozen entrees are hot; the canned goods are doing nothing."

Johnny McDade, grocery buyer for Piggly Wiggly Southern, Inc., (Vidalia, Ga.): "The buying trend in canned diet items is towards the natural, the low-salt and low-sugar. The diet category as a whole is holding its own but the real seller is frozen dinners. Stouffer's Lean Cuisine is the hottest thing to come down the road in a long time."

Virtually every buyer contacted confirmed McDade's opinion: Stouffer's has captured, at least for now, the diet entree market with its Lean Cuisine line. Significantly, many of the buyers of the 13 entrees created by Stouffer's are not dieters, and the line was marketed specifically to attract a larger segment of the population.

"Lean Cuisine was not designed as a diet food," said a company spokesperson at Stouffer's. "We wanted a line that would be appropriate for everyone, that would neither limit the market to weight watchers or make those people

Continued on page 142



DRAWING BY ROBERT STIMAN

Continued from page 134

Light n' Lively, and new products from the New Jersey-based Johanna Farms, are particularly good sellers.

Reasons for the popularity of yogurt seem to be varied. There is, of course, the spin-off effect from the nation's current trend towards physical fitness. Many buyers perceive yogurt to be healthful food. Convenience, however, may be just as important. Dannon attributes much of the item's success to the fact that it is ready to eat, requires no preparation and can be purchased in meal-sized containers.

Another factor in yogurt's favor, in the opinion of many store buyers, is the changing lifestyle of the American family. More single-parent households, more two-wage earner families and busier schedules for adults and teenagers have contributed to a growing demand for easily prepared, wholesome products.

Finally, booming sales of yogurt can, at least partially, be attributed to the fact that many consumers are just discovering it. "Yogurt continues to grow in popularity because people are just beginning to be aware of it," says Esson, of Red Owl. Yogurt has gone from a specialty item to what many families now consider a regular part of their diet. What was initially the smallest segment of the dairy industry could, according to industry predictions, become a $7 billion commodity by the end of this decade.

Yogurt's popularity has put a strain on supermarkets to find space to display the product. With some chains reporting as much as 15 percent increases in sales, generated partly by heavy manufacturers' promotions, many stores are unable to increase shelf space without remodelling the store itself. Raley's has been able to increase its capacity by some 15 percent, according to Ferguson, but others are not so lucky. An A&P spokesperson reports that the dairy departments in most of its stores are not big enough. "Because of physical restraints and the size of the store, we cannot increase dairy space without redesigning the store," he said. A&P does have plans for some new display designs for dairy products, but they have not been introduced yet.

While yogurts were making headlines, other categories of dairy products also have been doing well. Overall milk consumption, according to most dairy buyers across the country, is holding its own, without showing any dramatic increases. Low-fat milk, however, has taken a larger percentage of total milk consumption, according to the American Dairy Association, as consumers perceive less milk fat to be healthier. Per capita consumption of milk fat has dropped almost 20 percent since 1960, but, surprisingly, consumption of vegetable fat has increased by 66 percent in the same time.

To further confuse the question of whether consumers are buying with health and nutrition in mind, Dennis Ferguson of Raley's reports that sales in chocolate milk are "fantastic, since Hershey's and Nestle's entered the market with excellent packaging."

Despite the ravages of last winter, sales of chilled juices have continued strong.

Despite a severe winter that led to a short crop and higher prices, supers across the country report strong sales in chilled juices. "Juices are booming," says Bob Bowman, of Shaw's. Ferguson says orange juice sales have increased, and a spokesperson for Big Bear Stores, with 58 stores in Ohio and West Virginia, reports that the chilled juice category is second only to yogurts among dairy products.

Much of the interest in juices has been generated by the competition created when Procter and Gamble entered the market with the Citrus Hill brand, according to the American Dairy Association. P&G's major promotion campaign for Citrus Hill has prompted other manufacturers to match that effort.

Another area of growth and change in recent months has been cheeses, particularly natural cheeses. While it is difficult to discern strong national trends, due to the very regional nature of both cheese production and consumption, most supermarket buyers indicate that consumers are not only buying more cheeses but they are experimenting with new kinds.

"While still regional, there is definitely a trend towards more sophisticated taste in cheeses," said an ADA spokesperson. "The Mexican food craze has certainly helped and people are buying more specialty cheeses now."

This trend towards more adventurous buying has caused some buyers to change their purchasing patterns. "We used to drop the specialties after Christmas because no one bought them after the holidays," said Bob Bowman of Shaw's. "Now we display them all year long." Bowman reports particularly strong sales in natural cheeses and random weights.

Red Owl shoppers, too, are buying more natural cheeses, according to Esson, while those who frequent Big Bear Stores have discovered shredded cheeses. "Shredded cheeses such as mozzarella and parmesan have shown the biggest jump in sales," said a Big Bear dairy buyer.

Buying trends in the cheese category, while differing regionally, seem to be based on the same premise: the diet of many consumers has diversified to include flavors, tastes and dishes that traditionally were saved for restaurants. A&P, which has installed cheese islands in many of its stores, has seen an overall increase in sales for all types of cheeses and attributes the success to changing lifestyles.

"People are trying new things. Look at the cookbooks today. People are moving around more, trying regional cooking and they experiment at home," said a dairy buyer at A&P.

While consumers seem to be headed for natural products, at least in yogurts and cheeses, the dairy industry continues to be concerned about the 30 percent of dairy products that are not naturally produced by cows. Imitations appear in virtually every category of dairy products and represent a loss to dairy farmers in excess of $1.5 billion.

Although much of the imitation product never reaches the retail level in its singular form (appearing instead in frozen pizzas and entrees), some market buyers report that imitation cheeses sell particularly well. In response to that popularity, the American Dairy Association has, for the last two years,

Continued on page 106

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

AUTOMOTIVE

Supermarkets saw oil and oil additives sales slip a bit last year—but so did the entire industry—thanks to longer service intervals on the increasing number of new cars on the roads. Supers also suffered a slight decline in share of the total antifreeze/coolant market—thanks to heavy promotional activity on the part of (mainly discount) mass merchandisers, and the still-growing number of auto specialty stores. (The latter have increased in number by 33 percent, from 28,600 to 33,000, since 1980.)

The good news is that, in general terms, supers have grossly under-realized the potential for auto supplies sales and the profits they can generate. Good news? Of course: the potential for this category has been virtually untapped until now, and supers have a chance to outpace their competitors and show renewed growth not unlike what they experienced in the several years immediately preceding 1983, when they were significantly stepping up their involvement in selling auto supplies to do-it-yourself types.

That's not to say, however, that supers are going to have an easy job realizing that potential. Quite the contrary: They're really going to have to work at it, say manufacturers and wholesalers.

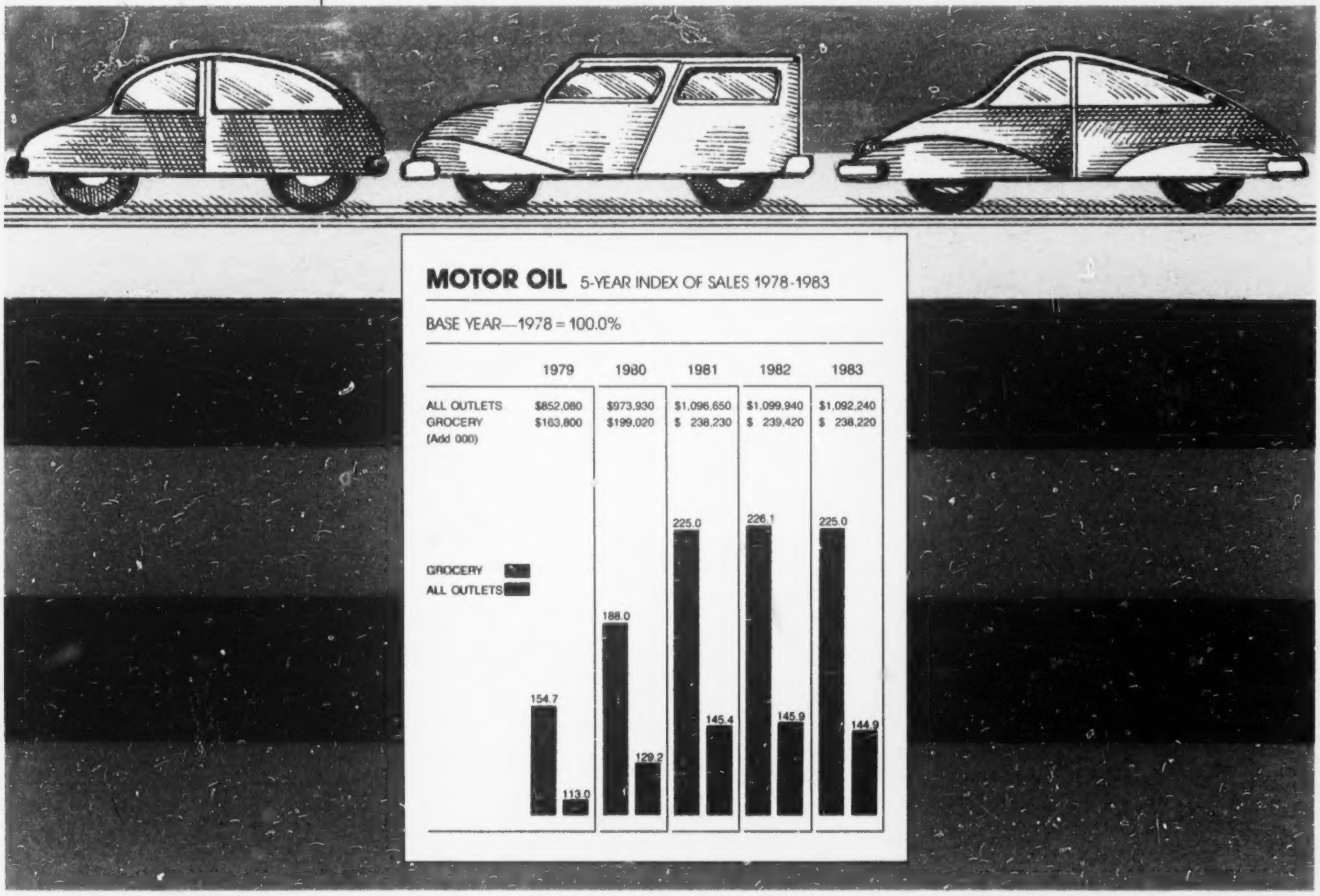
To be brutally honest, supers' suppliers almost universally indict the trade press (and other suppliers) for the fact that auto supply sales now aren't better than they are through big food stores. "Sales aren't anywhere near as good as the trade press, during the '70s, said they should be by now," says one manufacturer, who notes that the "guilty" publications "still tend to talk more about 'fast sales' than category development for long-term profit." Another supplier declares, "The press too often tries to make it sound simple: 'Stock automotive lines,' they say, 'and you'll profit fast.' It doesn't automatically work that way."

Indeed it doesn't.

Auto supplies are—let's face it—a hard nut to crack for the many who still view supers as an environment that is 1) primarily food-oriented and 2) shopped mainly by women who, they imagine, are totally uninterested in machines that eat oil and other messy, smelly substances. It's *men* who buy auto supplies, and men seldom are more than cherry-picker shoppers in supers—or so it's still widely perceived. Furthermore, according to research done by the WD-40 Company, "to women, the auto supplies section is invisible in supers. We've seen them literally turn their backs on it."

Perhaps it's significant that, to this day, the majority of people overseeing nonfoods in supers are men. And men—even those in this business, it would seem—don't widely view supers as a "logical"

Continued on page 143



MOTOR OIL 5-YEAR INDEX OF SALES 1978-1983

BASE YEAR—1978 = 100.0%

	1979	1980	1981	1982	1983
ALL OUTLETS	$852,080	$973,930	$1,096,650	$1,099,940	$1,092,240
GROCERY (Add 000)	$163,800	$199,020	$ 238,230	$ 239,420	$ 238,220

DRAWING BY ROBERT STRIMBAN

DIET FOODS/CONTINUED

Many retailers find that diet foods come with too-high a price and lack manufacturer support.

Continued from page 138

stand out by buying the product."

Lean Cuisine, test marketed in 1981, went national in 1982 and sales, according to the company, have been consistently above projections in all parts of the country. Packaged as an upscale, unique product for the lighter eating lifestyles of the 1980s, Lean Cuisine has taken the market by storm. Stouffer's plans to extend the line with five new entrees that are currently being test marketed on the east coast.

Supermarket chains have responded to Lean Cuisine's popularity by encouraging as many sales as possible. Bi-Lo, for example, supports the product by taking a smaller than usual mark-up, according to Vlerken. Other operators increase shelf space for the Stouffer product by cutting back on other frozens. And there have been imitators, supers report, but none has taken off like Lean Cuisine. "There are a lot of them coming after Stouffer's, but they're just copies," says McDade, of Piggly Wiggly.

Hardest hit by Lean Cuisine's success and what supermarket buyers see as a trend towards healthy products rather than dietetic, have been the older labels of dietetic products. "There has been a reduction in sales for the traditional dietetic canned products in favor of such things as Del Monte's and Libby's no-salt, no-sugar added lines," says Harvey McCoy, buyer for H.E. Butt Grocery Co. (Corpus Christi, Tex.). It is interesting to note that producers of such products as Libby Natural Pack, a new line of canned goods that features no salt or sugar-added ingredients, do not want to be labelled dietetic. "Don't call us diet foods because we're not," said a spokesperson for Libby Natural Pack.

Whatever they want to be called, the new lines of salt- and sugar-free fruits and vegetables have been outselling the older dietetic products and while their success is based on the fact that the general public, rather than just dieters, are buying them, it is also true that serious dieters are perceiving these new, "non-diet" lines as preferable to what has been labelled dietetic, according to supermarket grocery buyers.

Not all manufacturers of the strictly defined dietetic products are unhappy with their sales in recent months. Ronald Gondek, vice president, marketing for Sandoz Nutrition Co., (Minneapolis, Minn.), which in January took over the Featherweight line of diet products says, "Our sales have been exceeding last year's and our projections."

Featherweight was one of the forerunners in dietetic products and now has 180 items in the dry grocery category. These include jellies and preserves, salad dressings, puddings and custards, canned fruits and vegetables, snacks, and canned entrees. The company is currently promoting a number of new, or re-developed products using aspartame, or NutraSweet. These include gelatins, custards and cocoa.

Featherweight products have one or more components that make them dietetic. Some are starch and sugar restricted, some low-calorie, some low and no sodium, and others specially developed for allergy and fiber needs. Many, of course, have a combination of the above.

In addition to promoting its aspartame products, Featherweight is also developing new low-salt, low-calorie products to compete with those already doing well on the market. Included in the new items are a low-salt, low-calorie barbecue sauce and a caesar's dressing.

Despite the growth in sales for natural products and canned goods that are not considered dietetic, Gondek feels there is a growing market for Featherweight, and similar, items. "For those on medically prescribed diets and those consumers who are looking for weight-watching products, there is a strong market for our line," he says.

The Estee Corporation is another major manufacturer of dietetic products that reports strong sales. "We're coming off one of our best years, and 1984 looks just as good," says John Beers, executive vice president of the company, which markets a variety of products under the Estee and Dia-Mel labels. Beers points out, and most supermarket buyers would agree, that the total diet foods market is not declining, there have only been market share shifts. He suggests that the retailers who see dietetic products losing ground are those who have not decided to market the products aggressively.

One company that is taking an aggressive stance towards marketing is NutraSweet, a division of J.D. Searle, Chicago. NutraSweet has just launched a major consumer awareness campaign designed to help shoppers identify products sweetened completely by its product.

"Some 50 products, which appear in 15 different supermarket sections, are 100 percent sweetened by NutraSweet," says Timothy Healy, vice president, marketing for the company. "Our initiative is designed to answer the questions of just what 100 percent NutraSweet sweetened means, what products fall in this category and how can I find them."

The NutraSweet campaign includes national advertising, which was launched at the 1984 Emmy Awards television show, and the creation of a new symbol, a red and white swirl pattern that reads "NutraSweet Brand Sweetener," which will appear on all qualifying products. In addition, there will be a national coupon distribution program that allows consumers to collect 30¢ off any product sweetened by NutraSweet.

Among NutraSweetened products are Kool-Aid, Wyler's fruit drinks, Equal (a table-top sweetener), milk modifiers, some puddings and jellos, and many soft drinks.

Diet drinks continue to be an area of strong sales in the diet foods category. Diet Coke is the second best selling item in south Texas, according to McCoy, of H.E. Butt. Shoppers in Piggly Wiggly stores in the southeast are also buying more diet drinks. In California, some super chains, such as Hughes Markets in Los Angeles, have increased shelf space for dietetic drinks.

If the diet food market is holding its own, and many chains report that sales in this category match an overall increase in supermarket revenues, there does not seem to be much increase in percentage of sales. "We've seen about a 15

Continued on page 172

Continued from page 141

place to buy auto supplies. Perhaps those supers people approach this section with something of a negative attitude.

It's unjustified: The increasing number of two-worker families and the incidences of married men who did their own shopping prior to marriage (see "Men Influence Shopping," SB, March 1984, p. 11) is bringing us to the point where, by 1990, an estimated 40 percent of grocery shoppers will be male (see "Growing Number of Men Grocery Shopping," SB, July 1984, p. 9). And, it's said by many suppliers that even men who don't themselves do the shopping "seem to be taking a more active role in the selection of supermarket products."

To sell through to those "influential" individuals, and to actual store visitors, supers need to do several things: They must 1) carefully evaluate their space allocations for the auto supplies section; 2) decide how that space will be subdivided to accommodate planned- and impulse-buy products; 3) determine whether, on an across-the-board or store-by-store basis, merchandising should be oriented toward men, or toward women and children (yes, children!), and 4, 5 and 6) advertise, Advertise, ADVERTISE.

On the subject of how much space the section should have, suppliers agree that it will vary from one size store to another. Beyond that, there are often great differences of opinion. "A four-foot section is better than nothing if it is properly stocked and merchandised," says Bob Kramer, president and owner of United Marketing, a Marion, Ind.-based jobber. Others say that, even in a small store, if you cannot allocate more than four feet don't bother to give this category any room.

Super Valu's J.M. Jones Co. (Champaign, Ill.) says its retailer customers "give auto supplies an average of 12 feet—which often isn't enough." Adds Jerry Friedler, vice president, general merchandise at Certified Grocers of California (Los Angeles), "I don't like to see anyone messing with a 20-foot section. Once you get above 12 to 16 feet, there's no use expanding unless you're going to 36 feet." He's not recommending a *minimum* of 12–16 feet—but he is saying that, proportionately, once one starts adding much beyond the category's mainstays, its oils and oil additives, "sufficient space must be allowed for chemicals and accessories to be acknowledged as more than an afterthought."

Even in the smallest auto supplies section, the oils you stock and how they are priced can be important, says a spokesperson for Quaker State. He notes that 65 percent of all oil sales now are for off-site consumption—i.e. not to garages—and that roughly 80 percent of those sales go to two types of buyers: "Either they buy what's cheapest, or they buy what's cheapest among

Continued on page 163

WD-40® is reaching 14 million women where they live.

COUPONS
from Carol Wright
PRE-SORT FIRST CLASS U.S. POSTAGE PAID

More women than ever are buying WD-40 for themselves to use in the house. This fall, our inserts in the Carol Wright mailing will reach 14 million women who are heavy users of branded products.

Sweepstakes entry blanks send women to your store.

The insert will feature our exciting "$20,000 on the House" fall sweepstakes. Entry blanks will be included, and women will be sent to your store to enter. Our insert also shows ways that WD-40 can solve women's current winter-weather problems.

WD-40 helps profits increase in your store.

Major chains report gross margins of 38% – 48% at 15 – 18 turns per year. National household awareness is 94%.

Order your stack or pre-pack display today.

Don't be caught in the traffic without your display. Contact your WD-40 representative for details.

WD-40 Company
San Diego, CA 92110

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

VITAMINS

Many consumers fortified themselves on vitamins bought from food stores—the category as a whole is growing, a good dose of that coming from supers.

Last year, our much-touted interest in healthy living combined with changing demographic patterns and shopping habits to give the vitamins category an overall boost in supermarket sales. Retailers and manufacturers alike, recognizing the benefits of promoting and selling vitamins to the supermarket shopper, increased their efforts—and reaped additional sales.

Although there is no clear-cut agreement among industry groups as to exact figures, there is a general consensus that at least 40 percent of the population currently takes vitamins (or minerals or other nutritional supplements, such as protein). And there are indications that this figure will gradually increase in upcoming years.

A recent report by SRI International (Menlo Park, Calif.) placed current vitamin users at about 51 percent of the adult population (37 percent regular users; 14 percent occasional), and predicts that this base will, given the continuation of current demographic trends and the absence of any restrictive legislation, increase to 60 percent by 1990, when 108 million Americans will take vitamins.

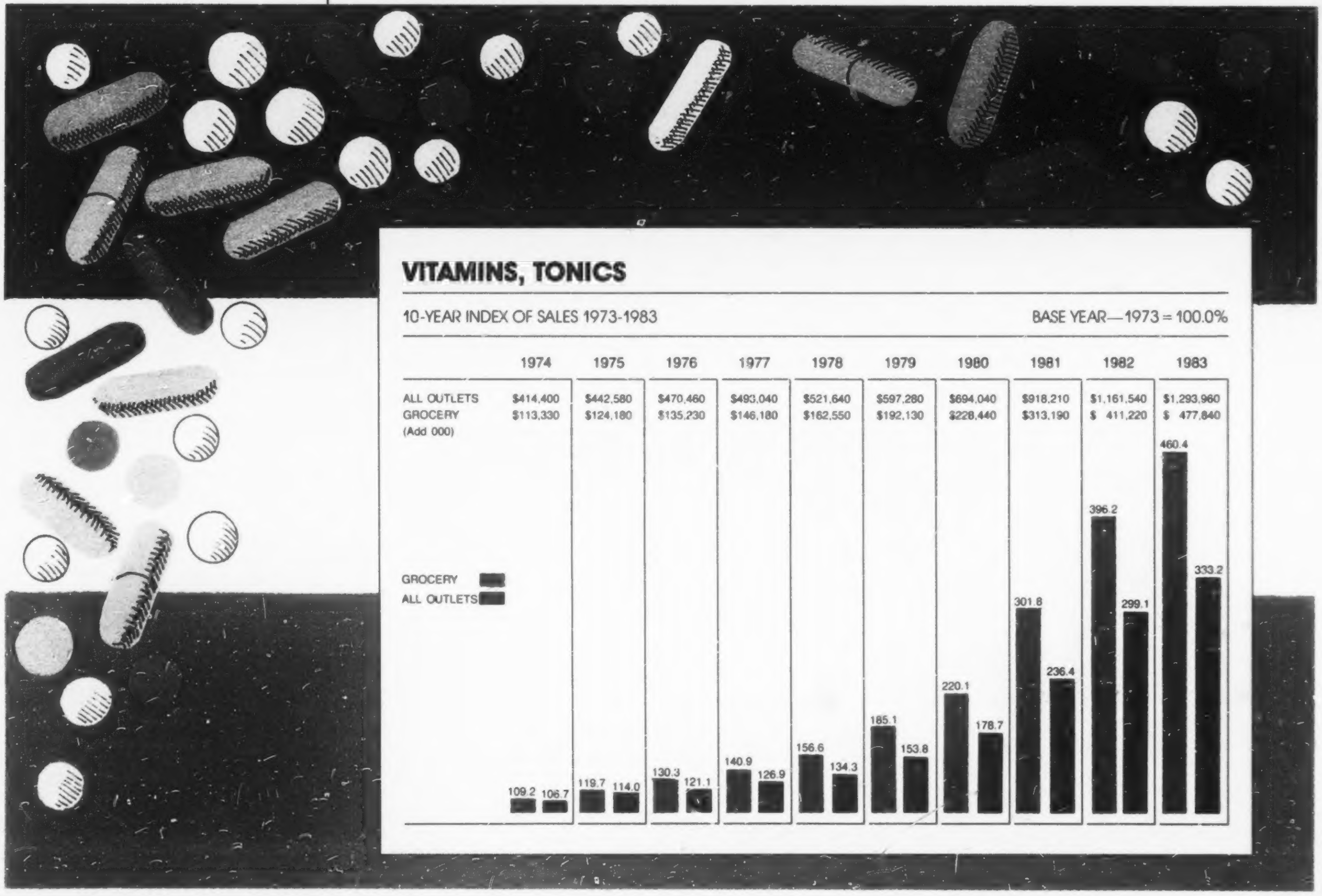
Why this increase? Retailers and industry observers cite a greater interest in living longer, healthier lives (evidenced by the enthusiasm for jogging and the rise of health clubs, for instance), increased medical costs and an interest in preventive health and, paradoxically, an increased dependence on fast, convenient foods, which often lack full nutritional benefits.

The predicted growth in vitamin consumption becomes a still greater boon for supermarket retailers when other trends are taken into account. The increased emphasis on convenience and one-stop shopping means that more and more Americans are buying their vitamins in the supermarket rather than through other outlets. While industry data for 1983 credit supermarkets with about 15–16 percent of annual vitamin sales dollars, SRI International estimates that by 1990, their share will have climbed to a full 24 percent, representing $790 million of manufacturers' sales.

And the researchers' predictions are borne out by these manufacturers' sales. Art Salerno, vice president of sales and marketing for the William Thompson Co. explains: "Our business is increasing in the supermarket area—approaching about 30 percent in 1984, which represents a 50–60 percent increase over 1983." Echoes a spokesperson for Lederle Laboratories, "the growth [of vitamin sales] in supermarkets is outpacing the growth of the overall market."

This is not to say that vitamins are new to supermarkets, which have been selling them for as long as vitamin and HBA buyers can remember. In recent years, however, both

Continued on page 146



VITAMINS, TONICS

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
ALL OUTLETS	$414,400	$442,580	$470,460	$493,040	$521,640	$597,280	$694,040	$918,210	$1,161,540	$1,293,960
GROCERY	$113,330	$124,180	$135,230	$146,180	$162,550	$192,130	$228,440	$313,190	$ 411,220	$ 477,840
(Add 000)										

DRAWING BY ROBERT STRIMBAN

VITAMINS/CONTINUED

Continued from page 144

the extent of their line and their sales have, in many cases, witnessed growth. Today, both synthetic and natural vitamins often have their place in the supermarket, and can be found anywhere from the HBA aisle to the pharmacy to the natural foods center.

In these varied locations, retailers stock not only national brands, but also offer their own private label, which offers consumers a saving of at least 10 percent over the national brands. This 10 percent saving is, however, the minimum, which can rise up to 20, 25—and even 50 percent, says Tom Thumb (Dallas, Tex.) vitamins buyer Jim Kyle. Paradoxically, it is the lack of advertising, which is so important in stimulating overall vitamin sales, which allows the significantly lower price for private label vitamins—and has placed them on many retailers' best sellers lists.

Near the head of the best sellers lists, retailers say, are the multivitamins, such as Theragran M and One-a-Day, as well as vitamin C and the B vitamins, especially as B-complex and in stress formulas. This year's single hottest item, however, is calcium, included in such new products as Oscal, Caltrate 600 and Thompson's Calcium, Magnesium and Zinc. Sales of calcium were spurred on by media reports of calcium deficiency and resulting osteoporosis, which primarily targeted women, a group generally more nutrition-conscious than men. In addition, as Tom Thumb's Kyle puts it: "Vitamins have a tendency to respond quite well to articles that some doctor might write."

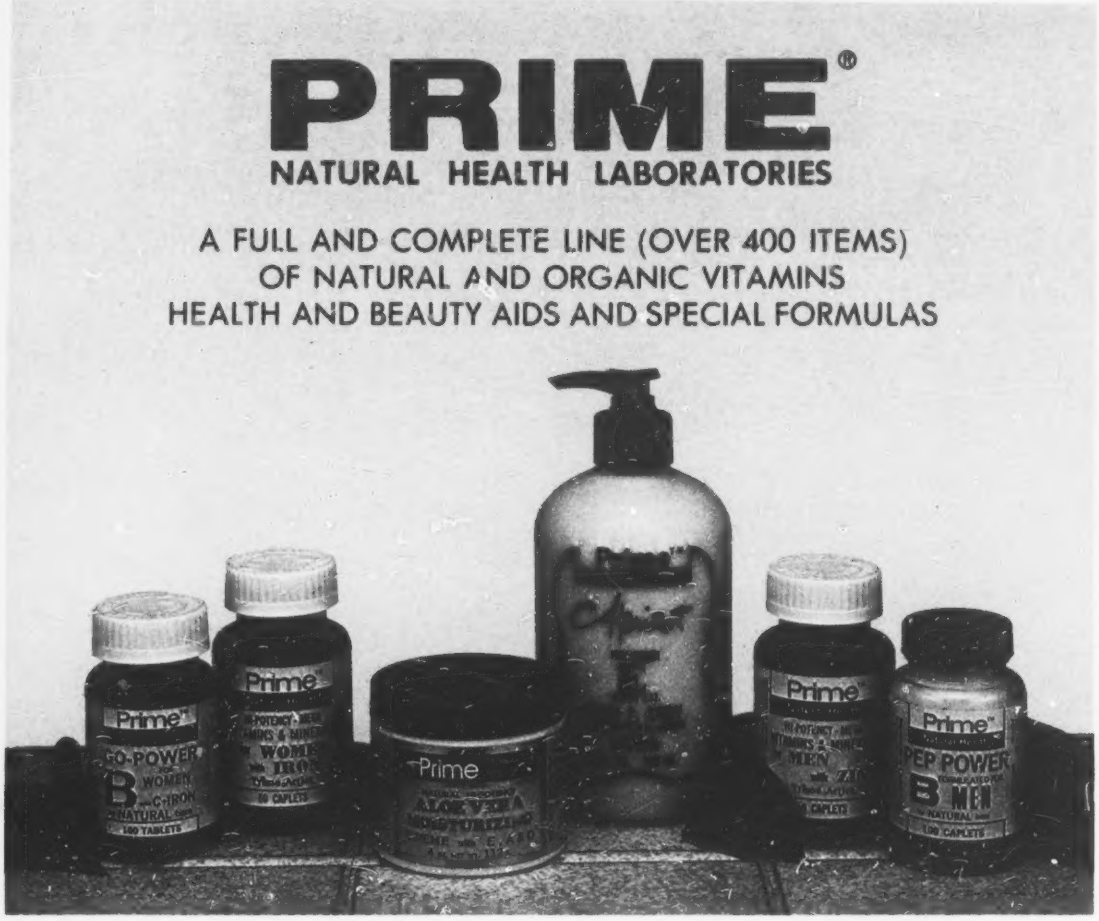
Another successful example of vitamin targeting is Thompson's Healthplan. These multivitamins, which are priced a little lower than if the vitamins were purchased separately and which eliminate the need for users to determine for themselves which vitamins they should be taking and in which amounts, "serve as a bridge—especially in the supermarket—to bring shoppers to vitamins," according to Thompson's Salerno.

The concept of the bridge, of making vitamin decisions easy for supermarket shoppers is crucial to understanding and maximizing supermarket vitamin sales. Although the vitamin-users base has broadened in recent years, accompanying the health trend, mainstream vitamin takers are not generally interested in the more "esoteric" kinds of products. Nor are they necessarily interested in knowing exactly what they should be taking and why. Hence the healthy sales of "good-for-all" multivitamins, which, according to SRI International's report, account for about 40 percent of total vitamin sales. Hence, too, what one retailer termed the "surprising" growth of the tar-

Continued on page 152

PRIME®
NATURAL HEALTH LABORATORIES

A FULL AND COMPLETE LINE (OVER 400 ITEMS)
OF NATURAL AND ORGANIC VITAMINS
HEALTH AND BEAUTY AIDS AND SPECIAL FORMULAS



THE ADVANTAGES FOR RETAILERS TO STOCK AND SELL OUR "PRIME" NATURAL HEALTH PREMIUM QUALITY PRODUCTS ARE:

FREE - PERMANENT METAL DISPLAY RACKS, 26", 36", and 48".
FREE - 24 CASE PLASTIC PERMANENT DISPLAY FOR OUR TRIAL SIZES OF 11 NEW 2 OZ. LOTIONS (36 PAK) AND 13 NEW ½ OZ. CREMES (40 PAK)
FREE - 12 BUCKET FLOOR DISPLAY FOR OUR TRIAL SIZES, ALSO
FREE - COUNTER DISPLAY BUCKET WITH HEADER CARD OF OUR TRIAL SIZES
FREE - FREIGHT PREPAID
FREE - BREAK-AWAY 12 CELL BOXES THAT FORM 2 COMPLETE 6 PACKS
FREE - WE PRIVATE LABEL AT NO CHARGE
FREE - ADJUSTABLE SHELF DIVIDERS, EXCLUSIVELY OURS.
NEXT DAY SHIPPING OF ORDERS. GUARANTEED SALE ON ALL ITEMS.
$1,000,000.00 PRODUCT LIABILITY INSURANCE. COMPETITIVE PRICES.
ETC., ETC., ETC.

PRIME® NATURAL HEALTH LABORATORIES
910 E. SANDHILL AVE., CARSON, CA 90746-5308
(800) 421-5882 - WATS LINE, (213) 515-5774 IN CA.

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

HEALTH & BEAUTY AIDS

HBA had a healthy year, with "mousse" aiding hair and cosmetics spurring skin goods.

It has been a very healthy year for health & beauty aids, with continued growth in selected areas expected for the coming year as well.

Perhaps the fastest-growing product group has been hair care needs. Nearly dormant for the past few years, the market was jolted this year by the passel of mousse products introduced in the wake of L'Oreal's Free Hold. These foam-form hair fixatives are "not as faddish as was first thought," says Clairol market research spokesperson Kurt Lowell.

Not only that, but mousses are genuinely expanding the product group, spurring rather than detracting from the sales of other hair care accessories. They are theoretically an alternative to hair sprays, but most industry observers agree with Helene Curtis' vp-marketing and consumer products Robert Thomas that "there is no softness in the hair spray market." They could compete directly against setting gels, but there has been a marked resurgence in gels, along with styling lotions, home permanent kits, and other fixatives.

Much of the growth in these categories can be attributed to the shorter, curlier, "punkier" hairstyles currently prevailing. This trend is also affecting the shampoo market. La Maur's Perma Soft, positioned for permed-hair wearers, was shipped in October of 1983 and has become, according to HBA buyer Dale Mocco of Super Valu Stores' Green Bay, Wis., Division, "the hottest thing going right now." And the string of similar products probably won't end with Helene Curtis's new Atune line.

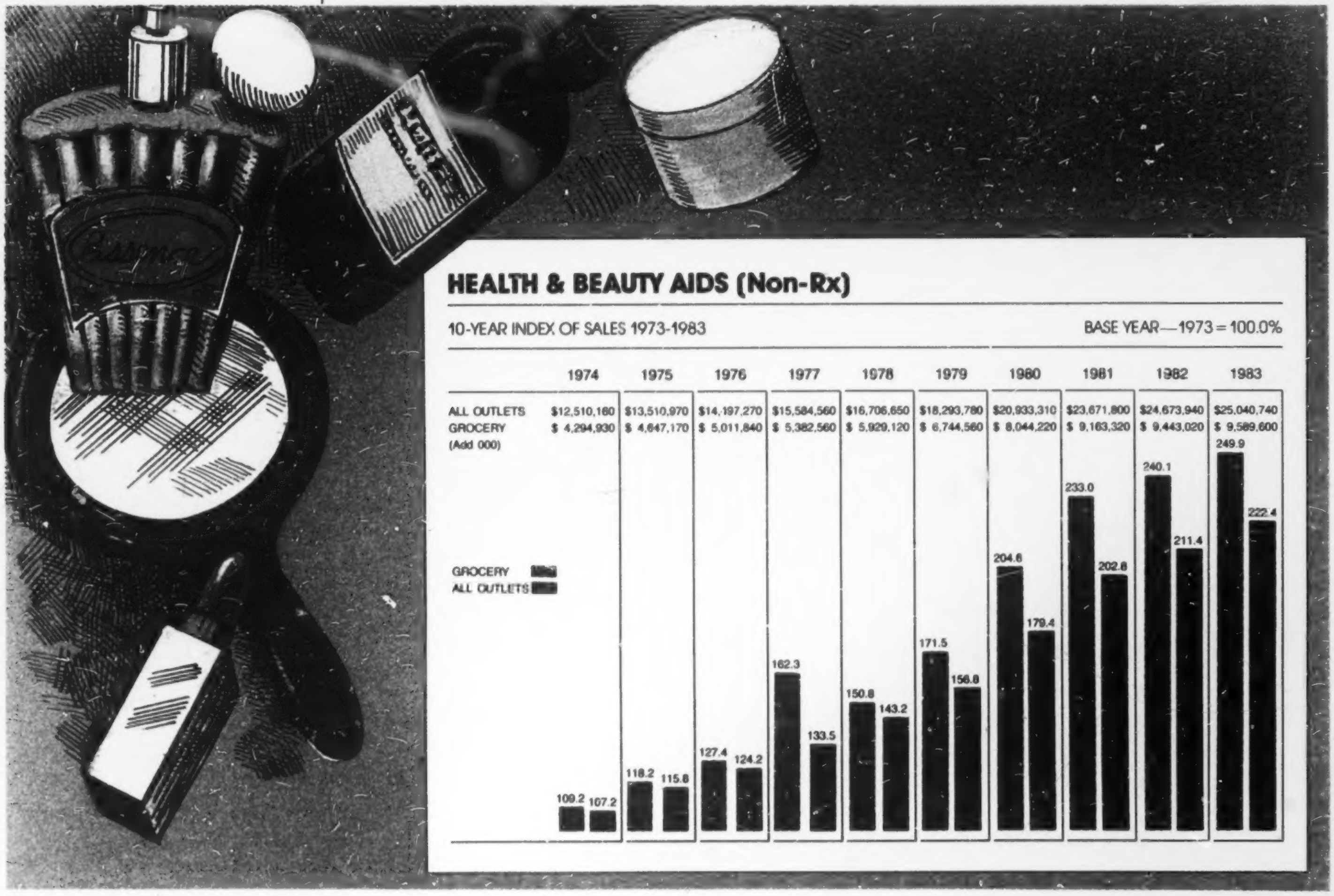
The shampoo market has been stable in an unstable way. It reached saturation years ago, growing slightly ahead of the population. There are just so many people, and they can wash their hair just so many times a day. The six new brands that debuted in the past year are drawing users away from existing brands, frequently from the same vendors.

Dimension (Lever Bros.) has performed very well, but is thought to have peaked. Mink Difference (Gillette) drew low marks from supermarkets, and Affinity (J&J) got mixed reviews. Procter & Gamble's new Ivory liquid shampoo, targeted for the economy segment, is too young to gauge, but should emulate the success of its P&G siblings.

Segmentation is the key for the future. An erosion in usage of established brands, coupled with the many new products, will cause a shake-up and shake-out in shampoos. Manufacturers will be identifying specific niches for their products, and fine-tuning their ad campaigns to reflect their definite differences and attract their target audiences.

Conditioners grew marginally in 1983, led by Helene Curtis' Finesse. Gillette's Silkience is picking up presently,

Continued on page 148



HEALTH & BEAUTY AIDS (Non-Rx)

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
ALL OUTLETS	$12,510,160	$13,510,970	$14,197,270	$15,584,560	$16,706,650	$18,293,780	$20,933,310	$23,671,800	$24,673,940	$25,040,740
GROCERY	$ 4,294,930	$ 4,647,170	$ 5,011,840	$ 5,382,560	$ 5,929,120	$ 6,744,560	$ 8,044,220	$ 9,163,320	$ 9,443,020	$ 9,589,600
(Add 000)										

DRAWING BY ROBERT STRIMBAN

The fairly mature allergy category showed limited growth.

Continued from page 147

while Revlon's HDR is standing still and Jergen's Squeak is dying out. Agree, from S.C. Johnson, switched its emphasis from older women to teenagers, and sales are slipping.

Sales of proprietary remedies rose from six to seven billion dollars in the 12 months ending July, 1983. Cough and cold remedies ($1.5 billion) was the largest category, followed by internal analgesics ($1.4 billion) and antacids ($800 million).

Despite their volume, cough remedies were rather sickly this past year. Cold tablets stayed hot, while nasal sprays-drops-inhalers and chest rubs chilled out. After a very good cold season decongestants proliferated. Congestac by Menley & James (a SmithKline Beckman company) is expected to join Drixoril (Schering), Actifed and Sudafed (Burroughs Wellcome) at the top.

Minor growth in the sinus remedy field won't change the shares of the four major brands: leader Sinutab, Sine-Off, Sine-Aid, and Tylenol Maximum Strength Sinus Medicine; this last registered big pipeline sales but is now returning to normality.

The fairly mature allergy market showed limited growth. Menley & James marketing vp Victor Gales notes that the ethnically oriented brands, like Dimetane, Chlortrimetron, and his own Teldrin, are growing, while the proprietary brands like Allerest are declining.

One of the most significant events of the past marketing year was the introduction of the first truly new analgesic since Tylenol appeared in the 1950's. Nuprin (Bristol-Myers) and Advil (Whitehall) both contain Ibuprofen, the active ingredient in the enormously popular prescription drug Motrin.

Early signs for Nuprin and Advil have been very positive, although some problems have been sighted. The medicine cannot be taken with aspirin, and bad side-effects have been reported. Also, the customer base being sought may be too diffuse. At Cullum Companies (Dallas, Texas) HBA buyer and merchandiser Jim Kyle can't see the same product succeeding for both menstrual cramps and arthritis relief. Products like Menley & James' Ecotrin and P&G's Encaprin, specifically directed toward arthritis sufferers, may steal their thunder.

This is only the latest Rx-to-OTC switch, "undoubtedly the biggest ongoing trend in the field," says a spokesperson for the Proprietary Association. He feels that several sleep aids and decongestants will also go from prescription-limitation to OTC-availability in the near future.

Tylenol remained at the head of the analgesic class and, along with Bayer, Anacin and Bufferin, is using promotional tactics to hedge against the impending impact of Nuprin and Advil. The Proprietary Association predicts that the sale of all proprietary remedies will become more dependent upon targeted promotional programs by manufacturers. These efforts will integrate advertising, p-o-p displays and coupon drops, as supers attempt to encroach further on drugstores' home turf. More SKUs will be

Continued on page 152

GROCERY STORE CONTRIBUTION TO HBA* INCREASES 1983-1982 FOR 10 GROUPS AND SUB-GROUPS

	1983 SALES (000)	1982 SALES (000)	1983-1982 SALES INCREASE (000)	GROCERY STORE SHARE OF INCREASE
Total HBA (non-Rx)				
Grocery stores	$ 9,589,610	$ 9,213,330	$ 376,270	30.3%
All outlets	$25,040,740	$23,800,760	$1,239,980	
Cosmetics				
Grocery stores	$ 494,190	$ 410,480	$ 83,710	13.9%
All outlets	$ 3,981,400	$ 3,378,990	$ 602,410	
Deodorants, Anti-Perspirants				
Grocery stores	$ 530,970	$ 465,200	$ 65,770	59.7%
All outlets	$ 993,780	$ 883,550	$ 110,220	
Vitamins, Tonics				
Grocery stores	$ 477,840	$ 411,220	$ 66,620	50.3%
All outlets	$ 1,293,960	$ 1,161,540	$ 132,420	
Oral Hygiene Products				
Grocery stores	$ 1,084,930	$ 998,310	$ 86,620	67.8%
All outlets	$ 2,018,120	$ 1,890,320	$ 127,800	
First Aid Products				
Grocery stores	$ 200,050	$ 183,340	$ 16,710	57.4%
All outlets	$ 460,800	$ 31,680	$ 29,120	
Analgesics (internal)				
Grocery stores	$ 723,510	$ 650,460	$ 73,050	45.9%
All outlets	$ 1,638,690	$ 1,479,540	$ 159,140	
Laxatives				
Grocery stores	$ 112,290	$ 100,990	$ 11,301	27.7%
All outlets	$ 503,830	$ 463,000	$ 40,830	
Shaving Products				
Grocery stores	$ 544,340	$ 506,550	$ 37,790	33.1%
All outlets	$ 1,583,580	$ 1,469,280	$ 114,300	
Hair Products				
Grocery stores	$ 1,411,570	$ 1,329,370	$ 82,210	46.5%
All outlets	$ 3,622,370	$ 3,445,510	$ 176,860	
Infant Feeding Formulas				
Grocery stores	$ 829,480	$ 726,600	$ 102,880	87.7%
All outlets	$ 980,810	$ 863,460	$ 117,340	

*Non-Rx Products Only

HEALTH AND BEAUTY AIDS/CONTINUED

Pre-measured pump dispensers for toothpastes are catching on.

Continued from page 148

allocated to these products, particularly cough-cold remedies and analgesics, due to their higher ratios of profit-per-linear-foot. Drugstores have the natural edge, but with the widespread familiarity achieved by TV advertising, and the influx of pharmacies within supermarkets, proprietary products will continue to favor foodstores.

Eye-care products saw double-digit growth in 1983, largely attributable to the new wave of contact lens solutions. Disinfectants like Alcon Flex-Care, and regular saline solutions like Bausch & Lomb's Sensitive Eyes, are both faring well.

Home diagnostic tests—everything from pregnancy to rectal cancer—picked up sales last year, but still aren't as strong as they are in drugstores. Feminine contraceptives, like Today Sponge (VLI), made a killing in certain regions. Sleeping aids finally woke up, but tranquilizers were still depressed.

Appetite suppressants and other diet aids showed good growth early in the year, paced by Thompson Medical's nutritional meal replacement Slim-Fast. A spokesperson for Thompson says that the 16 oz. SlimFast was fifth in dollar-generating SKUs in foodstores among HBA, preceded only by three SKUs of Crest and one of Tylenol.

Crest, by the way, continues to lead the oral hygiene group. Retailers feel that the company's new gel only split Crest's market share. Check-up, a pre-measured pump toothpast from Minnetonka, is an exciting new product, and Denquil, a toothpaste for sensitive teeth from Vicks, is doing very well. But for the most part it's business as usual in toothpastes, as it is in oral hygiene in general. HBA buyer Mark Davis of the Super Valu Stores' Des Moines Division points out that the top 10 bestsellers from 1982 were repeated last year as well.

Johnson & Johnson claims that its dental floss is garnering more users, and that Reach is replacing other toothbrushes. Even so, its real winner may be the new denture adhesive Secure. A unique, tasteless, dissolving sheet that becomes a gel, Secure may revolutionize the category and draw in many non-users. J&J's consumer affairs vp Jane Yates says, "It is growing by leaps and bounds," and Super Valu's Dale Mocco says, "It looks like it can't fail."

Breath fresheners straddled the zero-growth line for most of the year, but denture cleaners fell well below.

J&J also has the only major new entries in first aid, its Handyman (for men) and Kitchen Assortment (for women) flexible fabric bandages. Johnson & Johnson sees the recent increase in home health care as a great opportunity for surgical tapes, dressings and the like, but retailers haven't noticed an effect. Cortisone and antiseptics flourished last year, and for the most part, this relatively flat product group performed nicely.

Baby powders and infant clothes were consistently poor in 1983, while the total baby needs product group made almost imperceptible gains.

Continued on page 168

HBA'S 12* FASTEST GAINERS

1983 RANK	1982 RANK	CATEGORY	'83 GROCERY STORE SALES (000)	% INCREASE FROM 1982
1	2	Contact Lens Solution	$ 23,690	34.2%
2	**	Bulk Laxatives	16,320	28.3
3	2	Stick Deodorants	200,720	23.4
4		Eye Makeup	420,770	22.6
5	**	Dental Floss	23,120	21.4
6	**	Athlete's Foot Medications	17,560	21.3
7	**	Cold Tablets and Capsules	249,090	20.2
8	**	Aerosol Shaving Cream	100,480	19.7
9	**	Nail Polish & Enamel	35,360	18.3
10	**	Waveset Preparations	6,590	17.8
11	7	Menstrual Analgesics	22,360	17.6
12	**	Sleeping Aids (non-Rx)	19,460	16.5

*Non-Rx only **Not in HBA's 12 fastest gainers in 1982

HBA'S TOP 10* IN 1983

RANK 1983	RANK 1982	ITEM	GROCERY STORE SALES (000) 1983	% CHANGE 1983 VS. 1982
1	1	Internal Analgesics	$723,510	11.2%
2	2	Shampoo	701,600	8.6
3	4	Routine Infant Formulas	641,090	13.8
4	3	Toothpaste	626,130	6.9
5	5	Sanitary Napkins	563,230	10.7
6	6	Vitamins & Tonics	477,840	16.2
7	7	Eye Makeup Products	420,770	22.6
8	9	Razor Blades	299,260	4.6
9	**	Cold Tablets & Capsules	249,090	20.2
10	10	Tampons	226,070	6.6

*Non-Rx only **Not in HBA's top 10 in 1982

VITAMINS/CONTINUED

Continued from page 146

geted vitamin packs and special formulas.

Another steady sub-category within the vitamin realm is children's vitamins. The past year has popped with new products, such as Pharmavite's Monchhichi and Squibb's E.T., which comes complete with a molded figure wrapped around the bottle. These and others joined the menagerie of children's vitamin characters, from the popular Flintstones line to Bugs Bunny, Tarzan, Spider Man and, of course, the ubiquitous Strawberry Shortcake.

While these character-promoted vitamins lead the children's vitamins sub-category, some companies—especially those manufacturing natural vitamins—take a somewhat dim view of cartoon spokespeople. Says Thompson's Salerno: "We don't think children's vitamins should be considered candy; we think nutrition is serious business."

What is unquestionably serious business in the children's vitamins arena is the sugar issue. Pharmavite's vice president of marketing, Diana Kelleher asserts, "The problem with children's vitamins is that it's very difficult to make a product that's palatable without adding sugar." Neither Pharmavite nor Prime Labs, another manufacturer of children's vitamins, make *all*-natural children's chewables. This problem notwithstanding, a spokesperson for Schnuck Markets (Bridgeton, Mo.) believes that, other than the continued importance of calcium, taking sugar out of children's vitamins will be an area of major growth for the category.

One formulation direction of the near future will almost certainly be the use of G.D. Searle's NutraSweet (aspartame), which is currently awaiting FDA approval for use in children's chewables and in fruit juices. Approval could create waves within the category, and one question, at least, will be whether or not the natural vitamins manufacturers will put aspartame in

Continued on page 170

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

SOFT DRINKS

Pop went the soda. Fizziest performance was for low-sodium, low-caffeine, no sugar lines.

Sugar-free. Sugar-free with caffeine. Sugar-free without caffeine. Sugar-free, caffeine-free, and salt-free

The year past was one in which soft drink manufacturers declared their freedom—freedom from the sugary, salty, caffeine-laden refreshments of bygone days and bestowed upon the American public a plethora of new products and new formulations of old products. The point was to gain credibility with an increasingly health-conscious consumer population, and, if possible, to encourage a new faction of people to pop open a can or a bottle.

The success of this declaration of freedom was significant, at least from the point of view of soft drink manufacturers, who watched as Diet Coke—an entirely new product—became the number one diet beverage in the nation and the third best-selling soft drink overall.

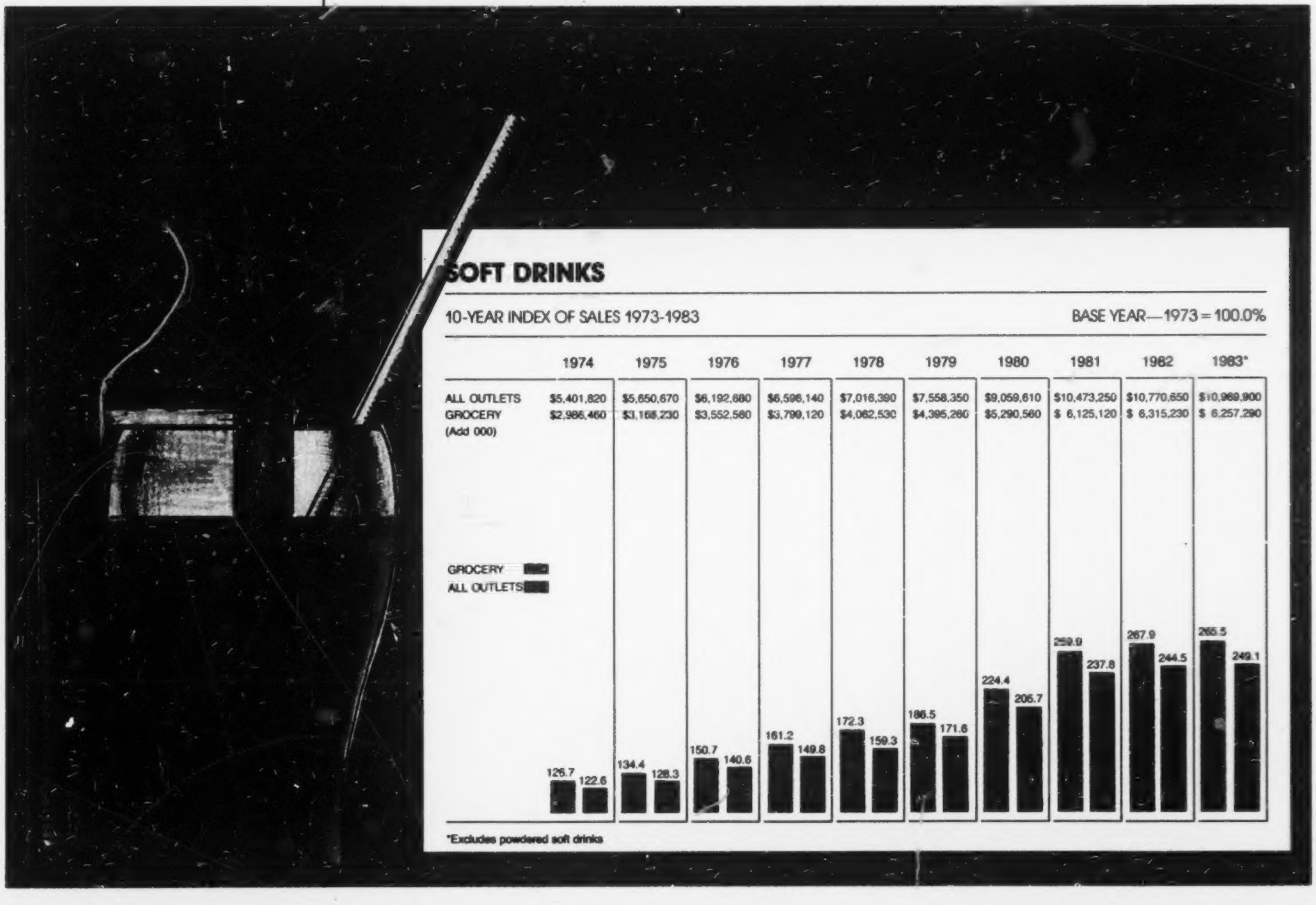
At Pepsi, there was great growth—apart from the Michael Jackson phenomenon, giving the company tremendous media and consumer awareness when Pepsi sponsored the Jacksons' "Victory" tour. The caffeine-free segment was pretty much pioneered by Pepsi, and sales of these products, Pepsi Free and Diet Pepsi Free, have been spectacular, giving the caffeine-free category real legitimacy among soft drink consumers, says Pat Draper, Pepsi's group marketing director, diet.

But from the standpoint of some retailers across the nation, nirvana is not yet in sight. Some believe that while soft drinks overall have made sales gains during the past year, it is not necessarily due to the introduction of new products, but rather attributable to the massive advertising campaigns that have accompanied the new product introductions. Interviews by Supermarket Business with a variety of retailers revealed that "cannibalizing" is a word often used to express the opinion that people drinking the new soft drinks are not necessarily new soft drink consumers, those who prefer caffeine free drinks aside.

And, in some cases, retailers see a potential storm cloud on the horizon—the possibility that cyclamates, banned by the U.S. Food and Drug Administration (FDA) 15 years ago for alleged cancer-causing properties, may be reevaluated and once again allowed on the marketplace. Bob Costello, a buyer with D'Agostino Supermarkets (New Rochelle, N.Y.), reflected the retailer: "If it were publicized that they (cyclamates) were being put back in, I think it could hurt business. We've only recently had the introduction of NutraSweet, and we've had a tremendous positive response. I don't know why anyone would want to change that, even if cyclamates are less expensive to use than the other."

But if cyclamates prove to

Continued on page 156



SOFT DRINKS

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983*
ALL OUTLETS	$5,401,820	$5,650,670	$6,192,680	$6,596,140	$7,016,390	$7,558,350	$9,059,610	$10,473,250	$10,770,650	$10,969,900
GROCERY (Add 000)	$2,986,460	$3,168,230	$3,552,560	$3,790,120	$4,062,530	$4,395,260	$5,290,560	$ 6,125,120	$ 6,315,230	$ 6,257,290

*Excludes powdered soft drinks

DRAWING BY ROBERT STRIMBAN

be less than welcome in the retailing community, the sales figures generated in the soft drink category over the past year may well soften the blow. During 1983, sales of soft drinks in the United States reached almost $11 billion, of which about 57 percent—$6.3 billion—was spent in grocery stores. These figures represented a total increase of $705.7 million, or 6.9 percent, over 1982's soft drink sales of $10.3 billion; in groceries, sales of soft drinks were up slightly more, 7.1 percent, or $413.5 million, over 1982's sales figures of $5.8 billion.

Figures also show that while dollar figures are higher, the role that soft drinks play in the supermarket business remains basically stable. In 1983, soft drink sales represented 2.6 percent of total store sales, up slightly from 1982's 2.53 percent; however, in both years the percentage of soft drink sales in groceries to total soft drink sales remained exactly the same—57 percent.

There are conflicting signposts in the soft drink landscape. In the diet soft drink arena, there are figures that seem to be at odds with the high profile that diet drinks have in the media.

In 1983, $9.3 billion were spent on bottled soft drinks, $656 million of which were in the dietetic category, or about 7 percent. This represented a slight decrease from 1982, during which $8.7 billion were spent on bottled soda, $633.5 million—or 7.3 percent—on dietetic products. The same holds true in the canned soft drink area: $1.5 billion spent in 1983, with $548.6 million or 36.3 percent in the diet area, while the year before $1.4 billion were spent on canned soft drinks, with $525.5 million or 36.8 percent in diet drinks.

These figures for the national level are consistent with the statistics for the grocery level. In 1983, $4.7 billion was spent on bottled soft drinks in groceries, $517 million or 11.1 percent on diet drinks; $1.4 billion was spent on canned soft drinks, $500 million or 35.1 percent on diet products. These numbers are down from 1982, when $4.4 billion in bottled soft drinks were sold, 11.4 percent or $499 million of it in diet products; in canned soda during 1982, $1.3 billion worth were sold, of which $478 million, or 36.4 percent, was in the diet area.

Clearly, the role that soft drinks played during the past year in the supermarket business cannot be adequately described in numbers—while supermarkets brought in about two-thirds of the national soft drink business, or $4.6 billion, soft drink sales in supermarkets represented 2.52 percent of total supermarket sales.

The excitement of 1983 can be illustrated best with an appreciation for what the soft drink industry achieved during the year. Variety became the key word, as new offerings included both Coke and Diet Coke without caffeine, Pepsi

99% CAFFEINE FREE COLA
Pepsi Free
NUMBER 1 AND
PEPSI FREE, PEPSI-COLA FREE and DIET PEPSI FREE are trademarks of PepsiCo, Inc.
Number one in the caffeine-free cola segment. Source: John Maxwell 1983

Free and Diet Pepsi Free, and reformulations of Tab (using NutraSweet) and Diet Rite Cola (eliminating the salt). Seven-Up, unwilling simply to watch the soft drink battles, brought out its own cola drink, Like, and continued to push its non-caffeine products, Seven-Up and Diet Seven-Up, with the slogan, "Never had it, never will." All across the country, large and small manufacturers alike issued proclamations about all the ingredients they didn't have, and crowed about the ingredient they did have—aspartame, or NutraSweet, developed by G.D. Searle and generally used in a blend with saccharine to eliminate bitter aftertaste in low-calorie soft drinks.

While NutraSweet was ingested enthusiastically by the public, it did pose a problem for manufacturers. The chemical is at this time more expensive to produce than saccharine, and would tend to drive soft drink prices up—except for the fact that soft drink customers tend to be extremely price sensitive.

NOW
with NutraSweet Brand Sweetener Blend
diet Pepsi free
CAFFEINE FREE
GROWING STRONG!

But consumers still like the NutraSweet taste. Pepsi finished its rollout of Diet Pepsi with NutraSweet in the first quarter of 1984 and trends for this year indicate that 17 million incremental consumers will purchase Diet Pepsi, over the 46 million nationwide who bought it in 1983. Pepsi Free and Diet Pepsi Free continue to dominate the caffeine-free segment. Diet Pepsi Free completed its NutraSweet conversion in August and already sales show that Diet Pepsi Free will continue to enjoy a leadership position.

A spokesperson for Royal Crown Cola Company, said that the increased demand for aspartame-sweetened products meant that manufacturers "have to generate more volume in order to keep the price down. You can't start selling a two-liter bottle of cola for $1.29, because consumers are conditioned to know that a good price for that product is 99 cents."

Retailers interviewed noted that high volume is generated through a heavy promotion schedule—in most cases at least two or three products each week, with a heavy emphasis on end-aisle displays.

One major push scheduled for the coming year is for Coca-Cola's lemon-lime soft drink, Sprite. Rob Martin, a spokesperson for the company, said that inititally the emphasis will be on fountain sales, with McDonald's fast food restaurants slated to begin carrying Sprite instead of Seven-Up in many areas. "We're going to beat the hell out of Seven-Up," he said, though he noted it was not certain that increased usage of the product in fountain-style stores would translate to increased sales in supermarkets. "There are a variety of opinions on that subject," he said. "Nobody really knows."

A more modest effort to be made during the coming year will be made by Dr. Pepper for its caffeine-free regular and diet Dr. Pepper drinks. Currently in about 30 percent of the company's markets, the caffeine-free varieties are

SOFT DRINKS/CONTINUED

Diet soft drinks account for about seven percent of the category.

expected to be nationwide within a matter of months, said Jim Ball, a company spokesperson. Ball said that the company is moving away from national advertising, stressing instead local efforts and the sweepstakes strategy that has worked for it in the past. Six major sweepstakes have been run by the company during the past year, and Ball said that experience shows that the strategy works in terms of getting instore consumers to try the product.

But despite the broad range of advertising and promotional efforts executed and planned by soft drink manufacturers, retailers remain skeptical about the long-term effects.

G.C. Clerc, advertising manager for Winn-Dixie Stores (Jacksonville, Fla.), said, "Product introductions are an ongoing affair, and if a major company brings out a new product, we're going to carry it. From that point on, however, it is up to sales to determine what happens." Clerc said that in the soft drink area over the past year, "in general, we have not allotted more space," preffering simply to shift the mix slightly.

Clerc's attitude was seconded by Fred Horan, a buyer with Iandoli's Super Markets (Worcester, Mass.), who said, "As far as I'm concerned, caffeine-free sodas are just new flavors on the shelf. They are just cannibalizing the other sodas." Noting that his stores have seen only a slight increase in soft drink sales over the past year, Horan said, "We're offering only the same amount of shelf space (to the category), but a full selection." When new products came out, Iandoli's reduced amounts of products offered by the same manufacturer rather than other producers—for example, cutting the amount of Coke rather than Seven-Up so that caffeine-free Coke could be carried.

Still, despite the dubious attitude of retailers, soft drink manufacturers plan to continue attempting to expand the category. A spokesperson for the National Soft Drink Association said that his industry clearly felt that caffeine-free and aspartame-sweetened drinks had opened up a whole new market for soft drinks, one that could continue to be exploited, (as Pepsi has done). And, said the spokesperson, new changes and controversies could emerge if the FDA allows cyclamates to be used in soft drinks for the first time in 15 years. "It will be up to the individual companies to decide" if they can overcome the negative publicity of the past, he said. ■

—KEVIN COUPE

SNACKS/CONTINUED

Continued from page 131

out of 10 households, according to industry research. However, Paul Banicki, grocery buyer for Hughes Markets (Los Angeles), a 37-store chain, reports that potato chip sales are down, while corn chips and tortilla chips continue to gain in popularity. O'Grady's Potato Chips, Frito-Lay's new entry in the field, has yet to really catch on there.

Reflecting a national trend, shoppers at Hughes markets are also looking for healthier snacks. "Low-salt items have increased overall," says Banicki, whose company continues to re-allocate its snack section shelf space according to sales by company. Overall, snack sales at Hughes reflect a general supermarket industry trend.

One company that has been going after the younger, more health-conscious consumer is Granny Goose, now privately owned by G.F. Industries. Granny Goose was restructured in 1980 for expanded growth, which has included several new products.

Ripples, a thin, ripple-cut chip with a buttery taste, 50% Less Salt Chips, Fiesta Nachos (tortilla chips with a cheese sauce packet included), Tortilla Strips made from white corn, and a thin, crispy Corn Chip are all products designed to diversify Granny's product line and cater to the changing snack market.

Granny Goose also represents a reversal in the snack industry in that it was a regional that was bought out by a major manufacturer (Del Monte) at one time and then became a regional again. According to Wesley J. Felton, Granny's president, "Now some regionals are being bought back by private owners. We know that we have to be much more aggressive if we are to compete and get our market share back."

Going against the national buying trends are the shoppers of the Southwest and Texas. Long familiar with things Mexican, snack items that are nacho-flavored or Mexican in nature rank behind other items in sales.

"Mexican is nothing new down here," says Tommy Hamby, grocery buyer for Furr's, Inc. (Lubbock, Texas). "There are Mexican restaurants on every corner here, so folks don't think nacho flavor is something special." What does sell in Furr's 100 stores are sweet snacks and nuts.

One of the newer snack items that sells well in Furr's stores is fruit snacks, such as Fruit Rolls, by Sunkist, and Fruit Roll-ups, made by Betty Crocker for General Mills.

Hit hard by inflation and recession, sales of snack cakes and pies tumbled as they were viewed as treats and not staples, according to The Snack Cake Market, a report prepared by Packaged Facts. Another factor in the decline was the dip in blue-collar employment that resulted in fewer workers carrying snacks with their lunches.

A part of the recovery centers on snack cake manufacturers targetting a new demographic group as potential buyers. The six–seventeen-year age group decline has influenced companies to reposition some of their products as breakfast foods and to go after the convenience-minded homemaker. ITT Continental, the market leader with its extensive Hostess line, as well as Interstate Brands' Dolly Madison, Tasty Baking's Tasty-Kake and McKee Baking's Little Debbie, have all extended or partially repositioned to appeal to this market.

The major manufacturers have also had to contend with new competition. Campbell Soup's Pepperidge Farm subsidiary has been a major success, as have Consolidated Foods' Kitchens of Sara Lee's Snack Packs and General Mills' Entenmann subsidiary.

According to Lawrence E. Joseph, director of publications for Packaged Facts, "The snack cake market appears to be starting the same sort of restructuring already under way in the markets for cookies and candies. In each case, the repositioning away from children and toward young adults will have brought with it a number of higher-priced, higher-quality new products, often marketed by competitors new to the field. In a market as conservative and tradition bound as that for snack cakes, some of the leaders may well be caught napping."

Snack items have been, and continue to be, heavily promoted, as the cookie war indicates. In excess of $95 million is spent each year on snack promotions and some $60 million in advertising. The result is what Banicki, of Hughes Markets, calls "a growing promotion price war."

Hamby, of Furr's, also sees increasing competition for the snack dollar, with manufacturers campaigning hard for consumer loyalty. But he says, "Price determines what is bought in our stores," which accounts for the company's, and the industry's, very strong sales in generic snacks. ■

—ROBERT MILLER

SUPERMARKET
BUSINESS
37th ANNUAL
**CONSUMER
EXPENDITURES
STUDY**

NATURAL FOODS

It was a "natural" year for this category, as more and more consumers took advantage of expanded, improved health foods and natural foods sections in supers.

Natural foods have come of age in the supermarket business. Conversations with buyers for chains across the country indicate that, while the category of natural products is still new to many consumers and they have certain reservations about unfamiliar items, a national concern both about healthful diets and the price of food has led many supermarkets to incorporate nutrition centers or bulk food centers in their stores.

Natural foods can be defined as those products containing no added sugar, starch, preservatives, artificial coloring or additives. Simply put, they are as close to their whole, natural condition as possible and still edible.

It is estimated that today there are some 2,200 supermarkets across the country with either nutrition centers or sizable natural food sections. This represents a more than 46 percent increase over 1982. Industry experts believe that as many as 50 percent of all supermarkets carry natural products to some extent.

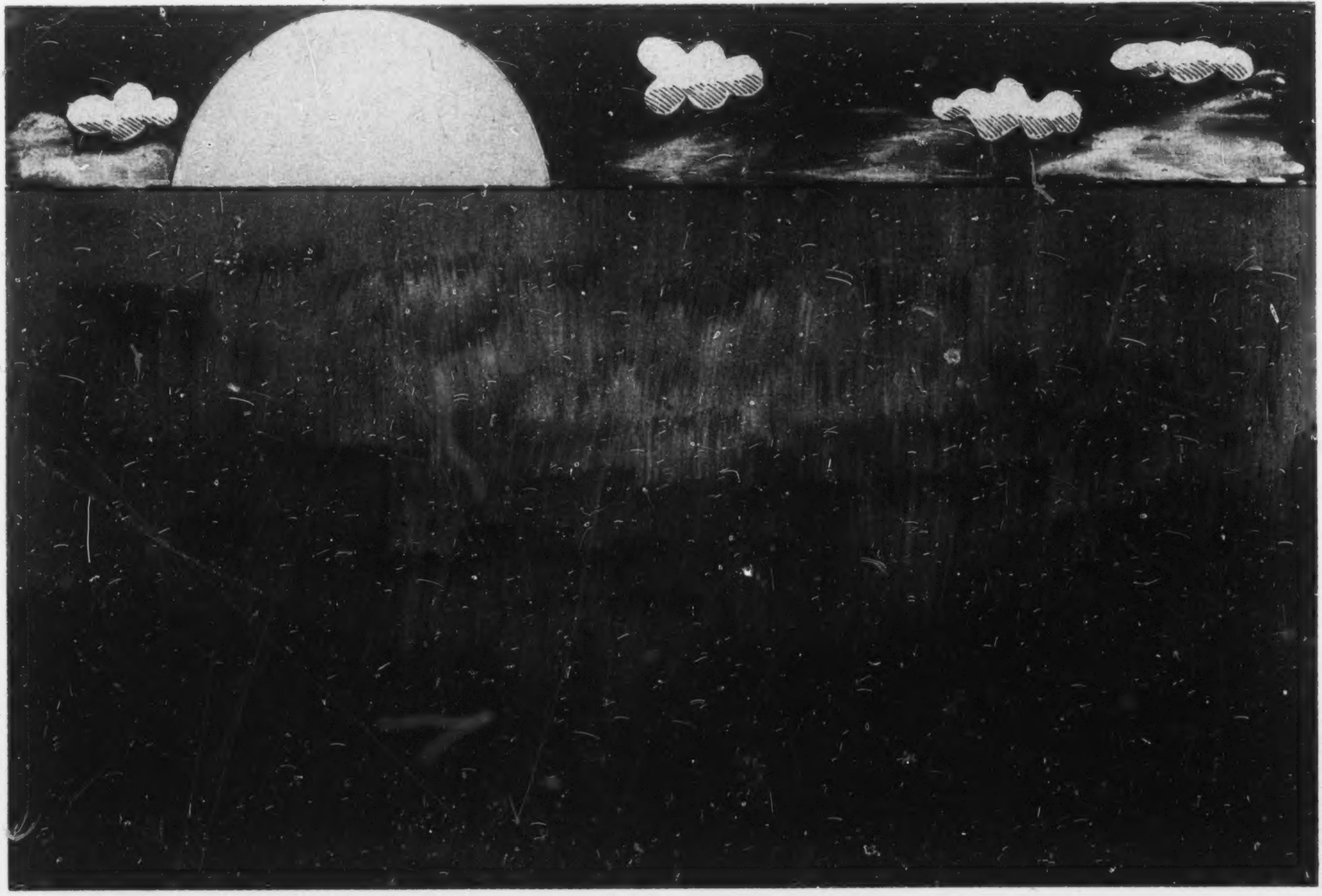
One reason for the growth of the natural foods industry is the result of public education of consumers. What was once the food of health purists has become a part of the normal diet of millions of people. Only one in 20 supermarket shoppers has ever been inside a health food store; the shopper who is attracted by a supers' natural food selection is probably supplementing a diet of regular foods and looking for ways to cut costs.

Sales of natural products topped $534 million last year, a 36.9 percent increase over the previous year, according to a study by *Natural Foods Merchandiser.* This growth has attracted a lot of newcomers to supermarket chains offering such products.

Furr's, Inc., a chain of 100 stores in South Texas and New Mexico with headquarters in Lubbock, Tex., recently converted its small natural foods sections to bulk food centers, featuring 235 items. "We're the first ones to do it in this part of the state," said Tommy Biles, grocery buyer, "and we did it because it seems to be catching on in other parts." Furr's took a look at bulk food operations at Smith's, in Utah, and Dominick's, in Chicago, before undertaking its own and was impressed. Bulk food sections are a natural outgrowth of the natural foods sections at many supermarkets. While bulk foods sections often offer a lot of the standard natural foods items—grains, granola, etc.—they are not strictly natural foods sections. Bulk foods sections have come to hold anything from potting soil to potato chips.

Biles has established the bulk food centers, in which shoppers can purchase whatever quantities of items they choose from barrels marked with the name of the product, as close to the produce departments as possible and says

Continued on page 174



DRAWING BY ROBERT STRIMBAN

AUTOMOTIVE/CONTINUED

Continued from page 143

leading brands. The other 20 percent are brand-loyal, and they'll go somewhere else if you don't stock what they want," he says.

While stores often use oil as the drawing card, among supers, in general, they aren't going so far as to give it away, says one wholesaler, who notes that the average markup he sees on oil in supers is 24 percent over cost.

Significantly, that may still be *way* below what's being charged by automotive specialty stores. "Check their prices," advises one supplier, who has done so, and was amazed by what he found. "Once you set aside the advertised specials," he says, "the specialty stores were more expensive than our customer (a drug chain that is notoriously higher-priced than competing supermarkets)."

It's generally agreed by suppliers that supers need to look closely at what their competitors are doing. "Go into the chain stores and the drug stores selling auto supplies," urges Earl Moeller, director of administration for Champion Spark Plugs (Toledo). "They've learned from the supermarkets, and pioneered a lot of concepts. Look at how and what they're merchandising, and see how it can be done in the supermarket environment." Adds WD-40's marketing vice president, Jerry Schleif, "If supermarket operators just sit back and think the customer's going to do something (like developing a habit of buying auto supplies in the super), they're certainly going to lose out. I think the nonfoods entity has to get aggressive, recognize the competition, and react to it."

One "nonfoods entity" who has done just that is Harvey Sutton, the merchandiser of such lines at Ukrop's Super Markets (Richmond, Va.). He's also taken a close look at the demographics for each of his company's 14 stores. Where residents are mainly blue collar workers, he says, oil gets up to eight–twelve feet of display space. Elsewhere, it's more likely to be allocated as few as two small shelves.

In Ohio, meanwhile, the Fred W. Albrecht Grocery Co. (Akron) is stocking its auto supplies sections "primarily with lines that will be picked up by women," says nonfood buyer Greg Bognar. His company, most of whose stores are large ones, also is doing a lot of experimenting with section sizes. "We started one store with 60 feet, and found that was way too much," he notes. "We feel if you stick with the basics, 20 feet is about all you need in most instances." His auto sections now vary in size from 20–28 feet and, as well as oils and additives, contain "mainly chemicals, plus a few pegboard items." He notes, as does United's Bob Kramer, that air fresheners are good impulse items.

"We put character air fresheners at children's eye level," Kramer says, "so they'll call Mommie over. Once she's there, she finds a section that's been put together with her very much in mind. We recognize that she still does most of the buying, but we work hard to make the section professional enough in appearance so that when her husband comes to the store with her, he has a haven."

Another chain with very "professional-looking" auto supplies sections is Big V Supermarkets (Florida, N.Y.), some of whose ShopRite stores in New York and Pennsylvania have auto sections of no less than 52 feet, offering something for everyone. By contrast, on the other side of the country, C&K Markets (Brookings, Ore.) sticks "mainly to convenience items," says vice president Norm Burrows. His company's trading area, just above and below the California line, has a heavy concentration of "very competitive" auto specialty stores, he notes, "and we see no sense in trying to compete on anything 'heavy' like

Continued on page 173

GROCERY STORE CONTRIBUTION TO VARIOUS GM* INCREASES 1983-1982

	1983 SALES (000)	1982 SALES (000)	1983-1982 SALES INCREASE (000)	GROCERY STORE SHARE OF INCREASE
Photo Supplies & Processing				14.9%
Grocery stores	$ 763,640	$ 701,560	$ 62,090	
All outlets	$5,140,600	$4,846,080	$294,520	
Magazines & Newspapers				15.7%
Grocery stores	$1,248,800	$1,141,900	$106,900	
All outlets	$8,529,020	$7,849,890	$679,130	
Flashlights & Batteries				23.4%
Grocery stores	$ 422,280	$ 372,680	$ 49,600	
All outlets	$2,794,200	$2,582,450	$211,750	
Greeting Cards				8.9%
Grocery stores	$ 309,730	$ 267,240	$ 42,490	
All outlets	$3,150,940	$2,674,820	$476,120	
Pet Accessories				18.7%
Grocery stores	$ 400,900	$ 390,950	$ 9,950	
All outlets	$1,503,530	$1,450,270	$ 53,260	
Records & Tapes				14.9%
Grocery stores	$ 169,630	$ 162,950	$ 6,680	
All outlets	$1,917,070	$1,872,140	$ 44,930	
Stationery				9.1%
Grocery stores	$ 118,590	$ 116,250	$ 2,340	
All outlets	$ 578,260	$ 552,530	$ 25,730	
Women's Hosiery				22.8%
Grocery stores	$ 663,740	$ 601,930	$ 61,810	
All outlets	$3,502,870	$3,231,590	$271,280	
Toys				2.8%
Grocery stores	$ 198,850	$ 187,240	$ 11,610	
All outlets	$8,833,360	$8,436,830	$396,530	
Disposable Cigarette Lighters				43.4%
Grocery stores	$ 109,680	$ 102,700	$ 6,980	
All outlets	$ 275,390	$ 259,310	$ 16,080	

*Excludes HBA & Rx

SUPERMARKET BUSINESS
37th ANNUAL
CONSUMER EXPENDITURES STUDY

DRIED FRUITS

Sales were the pits for dried fruits last year. The reason? High prices and sluggish merchandising. Some new products may give cause for hope, though.

Dried fruits, which are increasingly being tied to wholesome snacks, began to pick up momentum in 1984. But sales are still not at satisfactory levels for retailers. The underlying reason? Price, say retailers. Poor merchandising, claim manufacturers.

Both high prices and improper merchandising have contributed to the sluggish growth of the dried fruits category. Contends one West Coast chain, "The category is flat as a result of high prices."

Publix Super Markets, (Lakeland, Fla.) also reports that the category has shown little growth as a result of high prices in the last four to five years, according to Fred Lankford, buyer. "However," he notes, "it looks like this year we will get some relief because the price of raisins has gone down."

Indeed, raisins, already the top-selling item in the category, will do even better this year because of drastically reduced prices offered in the Fall, when consumers are most likely to purchase them.

According to the California Raisin Advisory Board, the price of California raisins will be reduced to reflect record tonnages of about 400,000 tons of raisins that were harvested in early September of this year. Price reductions will result in the lowest prices in six years, according to CALRAB. One raisin producer estimates that the price will drop from $28 per case to $18 per case.

Despite retailer claims that the category is flat (outside of raisins), dried fruit producers all report increases in sales for 1984.

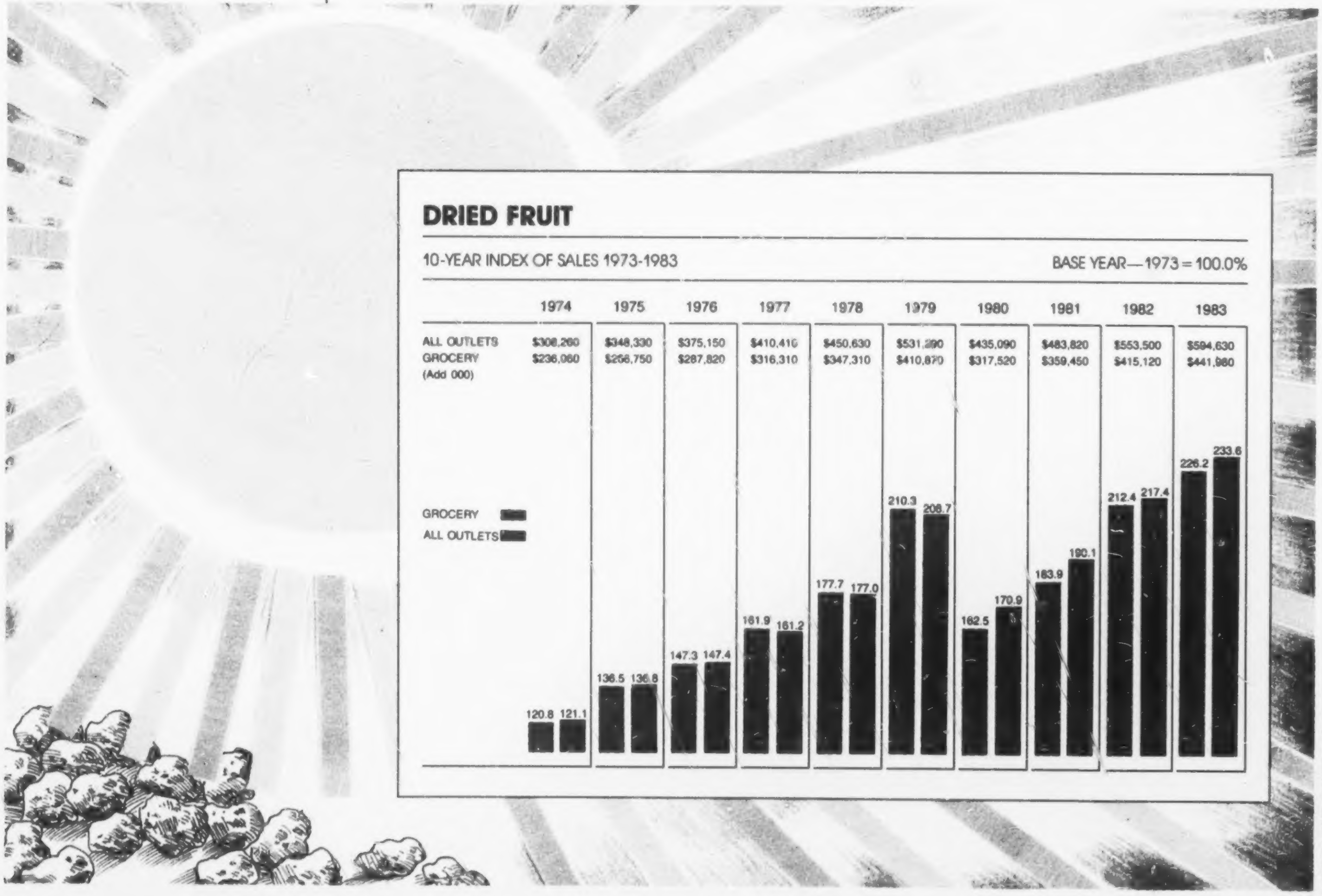
Del Monte, which bills itself as the largest producer of dried fruits, has been experiencing a five to eight percent growth each year, according to Karen Bachman, manager-product publicity.

Sun Diamond Growers of California will see about a seven to 10 percent increase in supers in terms of tonnage, according to Don Soetaert, senior vice president, sales and marketing distribution. He says, "We have been witnessing growth for some time now because of today's lifestyles and consumer awareness regarding better, more nutritious snacks."

Del Monte currently has on line about 40 different products, all of which are packaged in a variety of ways. According to Bachman, the company plans to introduce several new items, but for competitive reasons is reluctant to disclose them.

Sun Diamond Growers produces about 75 products under the Sun-Maid, SunSweet and Diamond brand names. In 1984 it introduced three new products: diced prunes, prunes in a new style of packaging (reclosable boxes) and fruit bits.

Continued on page 166



DRIED FRUIT

10-YEAR INDEX OF SALES 1973-1983

BASE YEAR—1973 = 100.0%

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
ALL OUTLETS	$308,260	$348,330	$375,150	$410,410	$450,630	$531,290	$435,090	$483,820	$553,500	$594,630
GROCERY (Add 000)	$236,060	$266,750	$287,820	$316,310	$347,310	$410,870	$317,520	$359,450	$415,120	$441,980

DRAWING BY ROBERT STRIMBAN

DRIED FRUITS/CONTINUED

Continued from page 164

According to Sun Diamond's Soetaert, much of the reason dried fruits are not selling as well as they could is because the category "is not merchandised properly." Sun Diamond Growers has embarked on several programs to identify the shortcomings of dried fruit sales in supers. Says Soetaert, "We can show a chain where it is losing sales to its competitors. For example, we will find a chain in a given city that has 15 percent share of the market but only five percent of the dried fruit market because it is not giving attention to the category." Sun Diamond will go to a chain, carefully analyzing each of the retailer's markets, and, according to Soetaert, "We'll guarantee increased sales."

Part of the problem, Soetaert claims, is that many retailers stock dried fruit sections with whatever the wholesaler offers. As a result, he says, "They may end up with four or five brands of an identical product and therefore may not have even one item of a different brand. So, they are not offering a full range."

When queried, most retailers said that they display dried fruits in separate sections usually near health food or canned fruit departments. H.E. Butt Grocery Co. (Corpus Christi, Tex.), displays the category in four-foot vertical sections next to canned fruits. It carries about eight or 10 different types of dried fruits, with the newest being Sun-Maid fruit bits.

Publix devotes as much as 40 feet in its stores to the dried fruit category and, according to Lankford, will consider expanding that space if new entrants come on line.

A West Coast chain displays dried fruits next to the health foods in a 32-foot section because, according to a spokesperson for the chain, it is considered a health food. Fruit rolls, which he reports are the hottest item in the category next to raisins, are situated in the snack sections since they are perceived as wholesome snacks.

Currently, there are two main producers of fruit rolls, and both companies report healthy sales. General Mills first introduced its Betty Crocker Fruit Roll-Ups in the fall of 1982 and now has an assortment of seven different flavors available to retailers. According to a spokesperson, "We are very pleased with sales so far."

Sunkist Fruit Rolls, which are produced by Sunkist Growers, Inc. and marketed through Thomas J. Lipton, were also introduced in 1982 to selected markets on the West Coast. Now they are going national and are available in five flavors.

According to Dave Walsh, product manager for Sunkist Fruit Rolls, "We don't compete with dried fruits. We compete in the granola section of supers and look at sales of granola bars, which we consider to be the fastest-growing category in supermarket sections." He adds that fruit rolls are more highly advertised than dried fruits which are "more of a commodity item."

Unlike fruit rolls, which sell fairly evenly throughout the year, dried fruits sell on a seasonal basis in most parts of the country. According to the West Coast chain, dried fruit does best around the winter holidays. And, says Del Monte's Bachman, "More than 40 percent of dried fruit is sold between September and December because of holiday cooking."

Dried fruits also appear to sell better in specific geographic areas. According to Sun Diamond Growers' Soetaert, "Larger size bags of raisins sell better in northern climates where more baking is done. Three times more prunes are sold per capita in New York compared to Birmingham, and dried peaches sell better in the Southeast. However, there are acceptable sales levels of all these products in all markets."

Retailers agree that dried fruits sell better in certain pockets of the country. Dick Doty, buyer for H.E. Butt, notes that while dried fruits do not sell well in the Southwest, where his stores are located, they do seem to do well in the Northeast and Midwest.

A number of retailers have experienced reasonable success with private and generic labels. A West Coast chain's private label does as well as its Sun-Maid raisin offerings, which are its top selling item in the category.

According to Doty, H.E. Butt's private label raisins do very well, controlling about one-half of the market. Its private label prunes also sell well, controlling about 30 percent of the market. Both items are priced about 15 to 18 percent lower than the name brands.

Hy-Vee Food Stores (Chariton, Iowa), recently introduced a generic raisin which, according to buyer Bernard Frazier, "is one new item that is doing particularly well and has resulted in a slight increase in shelf space for the entire category."

Some retailers have also begun experimenting with bulk dried fruits. Hy-Vee, for example, now sells apricots and prunes in bulk and has met with some success.

However, producers of dried fruits discourage retailers from selling in bulk because of certain risks. Says Sun Diamond Growers' Soetaert, "We sell some bulk (to retailers) but we don't encourage it since dried fruit is highly susceptible to infestation, which we go through many extra costs to prevent. Dried fruit must also be kept at certain moisture levels, which is hard to maintain when sold in bulk."

Except around the holidays, retailers launch few promotions' for the dried fruits group and do little advertising. However, producers of dried fruits have been developing more promotional programs for retailers to stimulate the category. Del Monte, for example, promotes its dried fruit lines with coupons and offers retailers POP materials. It also provides food chains with product samplings.

Sun Diamond Growers runs frequent co-op advertising campaigns as well as special seasonal promotion during the back-to-school, Halloween and Fall baking periods. ■

—LAUREN YANKUS

DAIRY/CONTINUED

Continued from page 140

operated a REAL Seal Sweepstakes to promote its REAL seal on genuine dairy products.

To enter the sweepstakes, held in June, consumers mailed REAL labels or facsimiles, hoping to win one of some $300,000 in prizes. This promotion was one of many that dairy buyers depend on, and sometimes have difficulty keeping up with, to generate interest in the dairy section of their stores. Because many shoppers buy dairy products wherever it is most convenient to do so, and because most dairy products are perceived to be commodities rather than discretionary items, supers rely on manufacturer promotions, both in-store and advertising, as well as their own store promotions to bring consumers into the dairy area.

"We get good support from the manufacturers because they realize that without it their product will die and the stores will stop carrying the item," says Stan Esson, of Red Owl. Bob Bowman is more blunt. "If we don't get support for the product, we drop it right away," he says. Bowman's stores in the New England area advertise eight to 10 dairy items a week and count on brand advertising to support them.

Nevertheless, there is not total agreement on the value of manufacturer promotions. Some buyers feel that there are so many that they become impossible to keep up with. Another criticism levelled at the creators of the instore special promotions is that the rules and requirements change so often that the individual store managers have difficulty keeping up.

From the manufacturer's point of view, dairy products hold another kind of problem. Because the majority of space in any dairy section is taken up with one or two regional or local brands, it is very difficult to get new products on the shelf. In other areas of the store, additional shelf space can be added with little difficulty; because dairy products, for the most part, require refrigeration, manufacturers are often frustrated by the little existing space that can be allocated to their product. The result is stiff competition for favor, and that often comes in promotional support of many kinds. ■

—ROBERT MILLER

HEALTH AND BEAUTY AIDS/CONTINUED

Continued from page 152

(See separate focus story on Baby Needs, p. 91.)

A Revlon spokesperson says that last year the skin care aids market "started to grow again ... Retail inventory came down, instore levels caught up with customer takeaway, and as disposable income increased, stores called for larger and more frequent reorders."

Skin treatments were still the fastest-growing segment, but smallest by size. Cosmetics (color and fragrance) were the largest category, and collagen-based moisturizers and cleansers bolstered their steady progress.

Though many retailers agree with Allied Supermarkets (Detroit, Michigan) HBA merchandiser Chris Donohue that "skin care lotions aren't exciting," SAMI studies showed exciting growth in hand and body creams and lotions last year, without the benefit of any major new entries. Consumer Expenditures Study figures show good movement in hand and body lotions and suncare products. Lip care products had an often blistering pace, but leveled off in late Spring.

A spokesperson at Gillette concludes that "skin care is just beginning to take off, and will be really big in the next couple of years."

Shaving needs grew erratically in the last 12 months. Edge gel held off all competitors, as Soft Shave and Gillette's Foamy gel started well but couldn't hold on. An interesting innovation will be Gillette's Brush Plus. This all-in-one brush and shaving concentrate system will have the cream secreted up through the brush itself, and will roll-out in October.

Razors and blades were a $637 million retail business in 1983, split between permanent refillable systems (62 percent of unit sales, 68 percent of dollar volume) and disposables (38 percent and 32 percent). Gillette's Atra was the uncontested number one overall, followed by Trac II which, retailers feel, was not promoted as much. Double-edged and injector models were not big factors in sales. As a Gillette spokesperson notes, "It has switched to a cartridge market; twin blades are now state-of-the-art." Razor blades were virtually cut off.

Good News and Daisy led the disposable category. Daisy is Gillette's disposable counterpart to their Just Whistle razor; both are for women. Females outnumber male shavers, although men use far more blades. In the future, the spokesperson for says, "Razors are expected to grow moderately, but not as sharply as in the last couple of years."

Deodorants stayed strong with a 10 percent growth. Sticks and roll-ons seemed to move faster than sprays, appealing to a broader market. Super Valu's Dale Mocco says, "I'd be surprised if aerosols ever came back to where they used to be." They stand at about 20 to 25 percent right now.

KLUTCH DENTURE
ADHESIVE POWDER
★★★★★ PROFIT PRODUCER

The reviews are in...

In today's highly competitive HBA market, you want products that turn over. . . products with excellent value, repeat sales and good profit margins. You want Klutch.

We've manufactured Klutch with the same proven formula — the same natural ingredients for over 60 years. Klutch works. It works for your customers. It works for you.

For more information about your profit potential with Klutch, just mail in the ticket below.

★★★★
"In the denture adhesive category, Klutch consistently performs well. Our sales and profits have definitely been above expectation."
Marc Dworkin,
Senior Vice President of Marketing,
Revco D.S., Inc.

★★★★
"We've stocked Klutch for years and plan to carry it for many more. Klutch sells!"
Steve Raine,
R.Ph., Selected Toiletries/Sundries Buyer,
Hook Drugs, Inc.

★★★★
"During the 10 years we've carried Klutch Denture Adhesive Powder, sales have grown consistently. We freely encourage any organization to consider this fine product for distribution."
Randy Groom,
Director of Advertising/Promotion,
Lawrence Pharmaceuticals.

I. Putnam, Inc., P. O. Box 444, Big Flats, NY 14814 (607) 732-6251

KLUTCH
KLUTCH

Please send me more information about Klutch Denture Adhesive Powder. The low-cost, high-profit denture adhesive with super hold and fresh taste.

Name ______________________
Title ______________________
Company ______________________
City ______________ State ________ ZIP ________
Telephone ______________________

Procter & Gamble paced the pack, owing to the success of Sure and Secret. Substantial unit sales for the new body sprays, like Gillette's Body Flowers and Carter-Wallace's Mischief, helped turn the category around, although cream deodorants continued to get creamed.

Feminine hygiene sprays were steady but stagnant, douches decent but unspectacular. Supermarkets reported accelerated traffic in foot care, led by Desenex from Pharmacraft (Rochester, N. Y.).

The foremost consumer brand in athlete's foot, Desenex owns more than a 50 percent share in supers. The company is broadening its market strategies to combat Tinactin, combining with Cruex to form a "relief team." This is a response to Tinactin's decision to market a jock-itch remedy with the same formula as its foot care product. Pharmacraft's Dave Hurwitz, product manager for Desenex and Cruex, explains that this move will only expand the jock-itch category on paper, reshuffling Tinactin's own customers.

A possible development in the near future may result from the expiration of Schering's patent on Tolnaftate. "It may mean increased competition in the marketplace," says Hurwitz, "but it will be awfully tough for a new vendor to enter the field."

Many retailers witnessed an increase in advertising last year, with powerful promotional suport from manufacturers for both new items and existing ones. Some have noticed that vendors cut down on the number of products promoted, but were offering higher allowances and more lucrative deals on the ones they did push. Roto-allowances were easier to come by, and they were generally quite profitable. "We did five weeks normal business in one week with the rotos," said Super Valu's Mocco. "It has a lingering effect too, increasing sales right down the line."

Cullum Companies' Kyle rails against all these promotional gimmicks, like buy-one-get-one-free offers, instant redeemable coupons, and premium packs He says they hurt sales of regular packs, and are bad all around. "They're ripping retailers off," penalizing them for the sake of the mass merchandisers who can't lose regular customers after sales because they're always discounting. Too many SKUs are tied up, and it's killing the items in inventory.

"They're confusing customers" who never know whether they're getting a good deal. And "they're going to catch up with manufacturers eventually. They're really self-destructive, when they think they're increasing movement. They're just making fast cash. If you have the good products, you don't need the deals. Look at Procter & Gamble. They don't jerk around. That's why they're number one."

Kyle speculates that the recent barrage of promotional deployments is due to the over-proliferation in categories such as cough remedies, eye-care products, and of course, mousses. He rattled off seven brands of mousses, and said that Jheri Redding alone has eight different kinds of mousse. "You can only cut the pie in so many pieces," says Kyle. It is the aggressive spending by the me-too upstarts, and the defensive spending by the established brands trying to protect their shares, that are causing this welter of promotions, he thinks. ■

—JEFFREY LENER

There's only one Rug Doctor®

Steaming mad at dirt!®

This is how I can work for you:

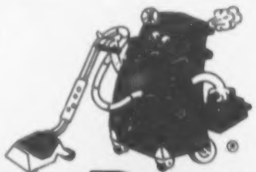
I'll help you reap the profits and the rewards of ownership without tying up your capital in machines and manpower. Put me in your store at no investment, then rent me out and take in the profits.

I'll worry about inventory overhead expenses. My representatives make regularly scheduled service calls to maintain my display rack.

I'll assure you of rental turnover through my aggressive national advertising campaign that directs customers to your store.

I'll attract customers with the unique cleaning action of my vibrating brush. My ability to clean both sides of the carpet fibers leads to more satisfied customers, more repeat business and more profits.

Call toll free 1-800-821-3161 for more information. In Missouri call: (314) 343-5106.



Rug Doctor

2788 N. Larkin Ave., Fresno, CA • 997 Horan Dr., Fenton, MO • 8910 McGaw Ct., Columbia, MD

Continued from page 152

their children's vitamins.

The natural versus synthetic vitamins issue is an area of seemingly unending controversy, especially among some manufacturers and consumers, although for retailers, their differences are usually simply those of display location and of allowing consumers a choice. Although he believes there is no difference in the way the body accepts and absorbs natural and synthetic vitamins, Tom Thumb's Kyle also recognizes that "there're a lot of consumers there that do—and that makes the difference. A lot of people like to think that if it doesn't contain preservatives it must be better for them."

Exactly *why* many consumers believe this and whether their beliefs are justified is often, however, a matter of raging controversy within the vitamin industry itself. While many companies, such as Pharmavite, Prime Labs and Hudson, make both natural and synthetic vitamins, others—notably Thompson, which prides itself on the "the purest, most natural vitamins available"—stick solely with naturals. Others manufacture only synthetics.

From a marketing standpoint, the evidence in favor of naturals seems to be compelling. Asserts Nature's Bounty's director of sales, Barry Drucker, "Natural vitamins are growing faster than synthetic, though there certainly is a consumer interest in buying synthetic vitamins."

Leif Schaumann, a senior consultant at SRI International, disagrees with such claims, believing that data regarding which type of vitamin sells best is conflicting. He does however, admit that naturals will probably gain in sales in the long run. This, he asserts, is not due to their superiority, but more to "a marketing hoax"—a "consumer mood hangover from the 70s."

To complicate matters further, there continues to be disagreement as to exactly *what* constitutes a natural vitamin, whether it should be defined in terms of lack of preservatives, artificial additives and sugar, or in terms of processing.

Most supermarkets will carry both when space permits. Often, however, their synthetic line is significantly larger, due at least in part to the lower price of synthetics. Grand Union (Elmwood Park, N.J.), for instance, is only just getting into natural vitamin sales, stocking them in the natural food centers in those stores that have them. In Schnuck, natural vitamins are carried only in those stores with adequate space available.

For retailers, the natural/synthetic debate has its parallel in deciding exactly where to place the vitamins within the store. As an increasing number of stores contain a pharmacy, the trend is often to place the vitamins there—and in greater quantity—as is the case at Meijer, Inc. (Grand Rapids, Mich.), where synthetic vitamins are given 12 running feet, 72 inches high. Naturals are given an additional eight running feet, for a total of 20.

At H.E. Butt (Corpus Christi, Tex.), conventional stores give four to eight feet, seven shelves high to vitamins, while those with a pharmacy devote a 14-foot wall plus an additional four to eight feet to the category.

Those stores that have a natural foods center tend to place a completely different line of vitamins there than those stocked in the pharmacy or the HBA aisle, although duplication does sometimes occur. For stores where neither a pharmacy nor a natural foods center, retailers fall back on the HBA aisle for space.

From the manufacturers' point of view, the "best place" for vitamins varies, as Thompson's Salerno sums up, adding that some stores, Safeway among them, have come to recognize this. But while Thompson and many other natural vitamin companies are fully in favor of the nutrition center concept, there are doubters. Theodore Negrin of Prime Labs asserts that the natural foods center should be only for food: "Health foods are health foods; vitamins are something totally different." SRI International's Schaumann echos the thought that vitamins should not be placed there, but for a different reason: "I'm not sure about this store-within-a-store concept. ... I'm not sure it'll work.

Advertising and promoting practices also vary considerably, and are usually an intertwined reflection of an individual company's commitment to the category and of regional consumption trends. While a major North Carolina chain does very little advertising, and carries only 10–12 SKUs for an area they believe is "not a big vitamin area," Meijers in Michigan finds it a "very promotable category. We stimulate sales through chainwide promotions and sales," according to vitamin buyer Tom Hagan. He finds that "you get a little greater response to vitamins than most other categories when you advertise them."

In other areas, too, vitamin promotions, which once were low-priority, seem to be moving upward and becoming more creative. Tom Thumb's Kyle last month was gearing up for a back-to-school special on children's vitamins, an especially promotable sub-category.

Also in Texas, H.E. Butt's HBA buyer, Frances Gray has plans to increase category advertising and promotions in the future. During the past year, the company has significantly expanded its commitment to vitamins and is now ready to move beyond its couponing-only promotion strategy of the past. "Now that people know that we are the place to buy vitamins," she says, "we look forward for sales to really take off."

Among manufacturers, too, advertising trends have changed. While most used to advertise solely in the more "health-oriented" publications such as *Health*, *Prevention* and the like, they are now moving toward more mainstream publications. Believing, with Pharmavite's Kelleher, that "consumption of vitamins is now more broadly-based in the population," they are significantly increasing the advertising dollars they pour into consumer publications such as *Self*, *Family Circle* and *Woman's Day*. And as the overall market increases—or is expected to grow—several companies are putting more money into advertising than ever before.

Advertising and category promotion also take the form of POP materials. Although some companies would agree with Grand Union's vice president, corporate communications and consumer affairs, Donald Vaillancourt, that "the material is on the label," a large number of supermarkets that have made the vitamin commitment provide company- and/or manufacturer-generated information materials. Giant (Landover, Md.) offers a brochure detailing RDA and citing natural sources of various vitamins. Earlier this year, Ralphs Grocery Co. (Compton, Calif.) introduced its Vitamin Value pamphlet, which describes 22 vitamins and minerals. At the pamphlet's conclusion, mention is made of Ralphs' private label vitamins, and consumers are invited to "compare and save with Ralphs."

Information packages offered through channels other than at the point of purchase can also help supermarket vitamin sales. When Ledrele introduced its Caltrate 600 supplement earlier this year, it not only provided a free POP brochure, "The Calcium Crisis in American Women's Diets," but also offered the Caltrate Kit, which was featured in a two-page ad in several women's magazines.

For retailers, the future of the vitamin category looks bright. H.E. Butt's Gray sums up the general mood when she says, "Vitamins have done very well and will continue to do so." Although some areas of the country—most notably the west coast and the Northeast—have traditionally led the vitamin-consuming population, there is no one kind of person that constitutes the "typical" vitamin buyer and there is a general agreement that usage can be stimulated through education and effective merchandising. For Thompson's Art Salerno, the South, which has fewer vitamin consumers than other areas, is the "market with the greatest potential."

And for supermarket retailers across the country, there is a tremendous untapped potential in the 50–60 percent of Americans who do not currently take vitamins and other nutritional supplements. If the commitment is there, vitamins can be marketed very successfully, as some have already found. ■

—MARIANNE SKOCZEK

DIET FOODS/CONTINUED

Continued from page 142

percent increase in diet food sales, which is about the storewide average," says McCoy. What makes the diet food section a difficult one to get a handle on for many chains is that within the category there is such variance in sales.

"There are many brands that want to enter the market," says van Vlerken, of Bi-Lo. "But you have to be careful what you take on because there are no guarantees that it will move. There are some very slow items in the diet area." This disparity makes it difficult for stores to allocate shelf space and requires them, if they are to serve their customers who have special needs, to devote space to items that are not top sellers, even though there is a need for more space for faster moving items.

In response to Estee's belief that aggressive marketing will result in a growth in sales for dietetic items, many retailers feel that diet food manufacturers do not support them with promotions. Many feel that prices are too high and that promotions, which would at least temporarily solve that problem, are needed to stimulate interest. It is more likely that as diet food manufacturers move in the direction of more general appeal, with increased numbers of items such as Lean Cuisine and Libby Natural Pack, that the diet food category will show more consistent growth. ■

—ROBERT MILLER

Beautiful Hair
BRECK
Styling
MOUSSE
LIGHT STYLE
BRECK
Styling
MOUSSE
BRECK

BRECK INTRODUCES THE MOUSSE THAT REMEMBERS.

In a marketplace already filled with a herd of mousses, there's solid reasoning behind New Breck® Styling Mousse. Breck Mousse contains "memory" ingredients to lock in style that lasts without sacrificing body, shine or natural-feeling hair.

BRECK APPEAL:
New Breck Styling Mousse is priced 20% below other leading mousse products, giving Breck a strong price advantage to support our heritage of quality products at a good price.

And your sales will get a real boost from Breck's multi-million-dollar TV and print advertising and promotional campaign. Over two hundred million media-delivered high-value coupons, plus high-impact Point-of-Purchase floorstands. Stock up on the mousse that remembers.

NEW
BRECK
STYLING MOUSSE

© 1984 Shulton Inc.

PRODUCE

Continued from page 26

can be put inside containers and discarded during cleaning.

During the FMI seminar, a "Retail Food Protection Program Information Manual," issued in April of 1984, was reviewed. Although this does not have the force of law behind it, many of the points could well be adopted in legislation at a local, state, or national level. Some of these include employee training regarding sanitary practices, no smoking, eating, or drinking in areas where bulk foods are displayed, use of correct food dispensing utensils, proper supervision of children shoppers, etc.

Labeling is also trickier with bulk foods and there are specific regulations requiring proper identification on each bulk container including the required information that must be on the label of packaged products: Ingredients, use of artificial colors or flavors, chemical preservatives, etc.

In spite of these complications, most of them are logical. Enterprising and progressive retailers would follow virtually all of them in any case. It makes good sense to properly identify products and to present them in clean and appetizing containers, and to closely supervise the displays at all times.

In summary, the "new" cracker barrel bulk merchandising opportunity for retailers can start small and grow to tremendous proportions if it's handled right. The retailer today who is not into this kind of bulk operation is missing a major opportunity! ■

TOBACCO/CONTINUED

Continued from page 128

satisfy the luxury segment, has settled in with an okay 0.7 percent market share. PM's Keim describes Players as "not a failure by any stretch of the imagination, but not another Merit either." (The company's Merit was a leader among the handful of new brands introduced by any of the tobacco companies to succeed during the past decade.)

Sterling, RJR's prestige brand, is described by Orlowsky as "doing very well since it was introduced nationally in April. We're feeling very positive about it," he says. "It's growing on a monthly basis."

Liggett & Myers has been carefully exploring the viability of positioning an ethnically targeted cigarette brand over the last year. Of its two full-flavored candidates—Dorado, which has been in test in Albuquerque and Santa Fe, N.M., and Superior, which has been trying out in such Texas cities as Brownsville and Corpus Christi—Liggett's Grant says, "Dorado is the better deal of the two." A 100 mm version has just been added to the Dorado test.

Grant stresses that when the time is right the brand will not expand to full national distribution, but will be confined to areas with above-average Hispanic population. The company, however, has avoided tilting Dorado completely towards Hispanics as this full-flavored brand also appeals to many Anglos.

What's black and white all over and possibly the subject of an upcoming red-hot court battle? The answer is generic cigarettes. While the term generic cigarette has long been virtually synonymous with Gary Tobacco, a subsidiary of Liggett & Myers, a challenger—in the form of Brown & Williamson—has entered the ring.

B&W announced its intention to market generic cigarettes in the latter part of May, and shipped its first product into the Nashville/Knoxville zone in mid-July, according to the company's Mark Ahearn.

Liggett & Myers followed by filing a suit against B&W in District Court in Durham, N.C. While both sides are constrained in what they can say at this time, it's believed that the suit charges both infringement on trademarks and predatory pricing.

"We intend to defend our right to compete very strongly in the courts and in the marketplace," Ahearn asserts. "So we're committed."

L&M's Grant says the action was taken in defense against "infringements on our trademarks and packaging."

While intra-industry shootouts rage in both the marketplace and the courthouse, the arrows of surrounding enemies rain down on the circled wagons of the tobacco manufacturers.

The "Smoking or nonsmoking?" query has spread from airline counters to many restaurant reservation desks. Referenda on smoking in public places often incite more partisanship before Election Day than do contests for public office.

Under a recent compromise agreement between Congressional leaders and the tobacco industry, the present health warning on cigarette packages would be replaced by four new warnings used on an alternating basis.

But the combustible combination of tobacco and politics has put the truce on hold for the moment as Republican Senator Jesse Helms of North Carolina, facing a strong challenge from Gov. James B. Hunt, his Democratic opponent, tries to tie the labeling provision to limits on tobacco imports.

Over the years The Tobacco Institute, which lobbies for the industry in Washington, has been the industry's voice of rebuttal against its opponents. For the first time, however, an individual tobacco company, R.J. Reynolds, has sought to answer through advertising what it deemed some of the more one-sided and unfair attacks against the industry.

Besides putting its money and prestige on the line in this campaign, which counters the assumption that "the case against smoking is closed," RJR's Chairman, Edward A. Horrigan, Jr., has stood up to critics on forums like ABC's "Nightline" and NBC's "Today."

David Fishel, a company spokesperson, says that public response to the campaign has been favorable, and that the company will run new ads.

While overall cigarette sales may bump up or down a percentage point over the next few years, no major potholes are anticipated. The large price increases of 1983 aren't likely to be repeated (in fact, the federal excise tax is scheduled to drop down again next year). ■

—ROBERT DIETRICH

AUTOMOTIVE/CONTINUED

Continued from page 163

tools or parts."

Suppliers are unanimous in believing supers miss many opportunities for auto supplies sales by failing to do that—exploit competitors' weaknesses—and by overlooking the all-important need to let the public know what they are stocking.

As oil is the "commodity," or most-wanted item, in the category, says Certified Grocers' Jerry Friedler, it should be advertised "constantly." Among suppliers sharing that viewpoint is STP's national food sales manager, Roland Roedler.

He contends that if supers are to even begin to realize the potential for sales in the auto supplies section "they must watch product movement, and concentrate on the leaders within each category. Doing that will mean there's ample room—even in a smallish department—for their units to develop a high-volume approach to this category." ■

—DOUG HARRIS

One of the best-known, best-selling brands in housewares.

SWING-A-WAY
SWING-A-WAY
SWING-A-WAY

go with the leader. SWING·A·WAY

SWING-A-WAY MANUFACTURING CO • ST LOUIS, MISSOURI 63116

NATURAL FOODS/CONTINUED

Continued from page 162

they are approximately equal in size. It is interesting to note that Biles does not think consumers are buying bulk foods because of the health value, even though many of the items could be labelled health foods.

Giant Food, Inc., based in Landover, Maryland, with 132 stores in the mid-Atlantic states, was a forerunner of natural foods in supermarkets, establishing one of the first nutrition centers on the East Coast. The last year has been "a year of transition," according to Linda Ludemann, buyer/merchandiser for the chain. "We've reduced the total number of natural products in 16 stores but the consolidated sections are doing very well," she said.

Sales in the natural products area "are not super," according to Ludemann, but do well depending on the location of the store. Giant has found that senior citizens as well as young professionals and white-collar families are the most frequent natural foods buyers.

The success of natural foods sections varies with region of the country to some extent, and there seems to be some indication that perhaps, for some consumers, it is a matter of a trend running down. In California, for example, where natural foods in supermarkets first got started, there are signs of waning interest.

In other areas of the country it is still too early to tell. Johnny McDade, grocery buyer for Piggly Wiggly Southern, Inc. (Vidalia, Ga.) reports that the natural foods category is just beginning to catch on in the Southeast. "The category is a plus for us," he says. Typical of many chains incorporating bulk and natural foods in their stores, Piggly Wiggly does little promotion of the items in its 75 stores.

Glen Kielbowicz, grocery buyer for Bormans' Inc. (Detroit), also says that natural foods are just beginning to catch on. "There is enough consumer awareness for us to introduce natural foods in five of our stores," he says. Bormans' operates 99 stores in Michigan.

In addition to those sold in bulk, packaged natural foods have also been added to many supers' shelves. Harvey McCoy, a buyer for H.E. Butt Grocery Co. (Corpus Christi, Tex.), notes that natural items are growing in popularity, particularly chips and Health Valley products.

Manufacturers in the natural foods category tend to be local and many of them very new to the supermarket business. One company that has grown quickly, however, is Health Valley, located outside Los Angeles. Health Valley is one of many producers that started out small. But, while many stay small, with local or regional distribution only, Health Valley now markets some 300 items across the country and to much of Europe. All of Health Valley's products have at least 40 percent less salt than regular products of the same type and 100 of them have no salt at all. The product list ranges from cereals and cookies to soups and entrees.

Recent products produced by the company include Soy Moo, a milk substitute that comes in plain and carob flavor, Honey Jumbo Cookies, in three flavors, and Amaranth Graham Crackers. Amaranth is a Mexican plant which, according to a company spokesperson, is derived from grain used by the Aztec Indians and contains higher amounts of protein than most other cereal grains. Health Valley claims to be the only manufacturer of amaranth products.

While several large manufacturers of bulk food items supply the majority of natural foods to supers, brand identification is minimal, if existent at all, from the consumer's viewpoint. Otherwise, major manufacturers have been slow to enter the field, doing so largely in the snack area of natural foods, and to some extent bran cereals as well. Nature Valley, distributed by General Mills, produces Granola & Fruit Bars and Granola Bars. Quaker Oats manufactures Chewy Granola Bars. But for the most part, natural foods manufacturers remain small.

One area of concern for consumers as well as chain buyers is the display of natural foods. In older stores and in those with small selections of natural foods, they are often mixed in with regular products. While this practice has been fairly successful, it is not favored by suppliers.

Vons Grocery Co. (El Monte, Calif.) has created a mini-natural foods section through the use of small displays that carry approximately 45 items. Other chains, with as many as 3,000 natural food items to display, are creating natural food centers with names such as Wegmans' Super Naturals, Giant's Health Food Shoppes and Stop & Shop's Natural Harvests. Often special lighting, shelving materials and display configurations are used to distinguish the section from the rest of the store and to attract shoppers. ■

—ROBERT MILLER

GREETING CARDS/CONTINUED

Continued from page 112

customers. (American also puts all merchandise on display in smaller-volume stores, but, says Wynn Weaver, "we feel we need the reserve stock to meet traffic demands in busier facilities.")

Halvorson contends that, as well as reducing the retailer's inventory investment, Everything Up Plus and a companion system, Everything Cubed, "allows customers a greater selection in a given amount of linear space—because we display cards where the drawers used to be." Asked if that increases the likelihood stock will be depleted between visits by his people, he said, "It's our job to make sure it isn't."

Retailers such as Harris-Teeter (Charlotte, N.C.), which stocks Buzza cards in some stores and Ambassador cards in others, and Publix (Lakeland, Fla.) which, in its Miami Division, stocks both of those kinds of cards plus American Greetings' offerings, obviously aren't totally convinced that either the "everything up" or the drawer-storage system is far-and-away better than the other.

Bob Goodale, sr. v.p., sales and merchandising at Harris-Teeter, says he buys from two manufacturers "because we don't like to put all our eggs in one basket." In terms of quality and service, he adds, the two suppliers "are reasonably competitive."

Bob Burkett, assistant to the director of store operations at Publix's Miami Division, says his company decided to split the business among the three major suppliers "as a means of determining which was best." That was some time ago. In the meantime, Buzza has earned the most praise "both from managers and from our accounting people," Burkett says. (American Greetings, by comparison, "more than slightly upset" some people by delivering some seasonal cards as much as six months ahead, he notes.)

A retailer that, for space reasons, concentrates on seasonal and special occasion cards is Market Basket (Nederland, Tex.). "We're a conglomerate of take-overs," explains Leroy Graeter, v.p. store operations, who notes that he's presently able to fit cards into only "around one-half" of his company's 26 stores. Some once were A&Ps, others were Weingarten's—and all are small stores, he says. His principal supplier is Buzza, which "agreed to come in with smaller sections than they would have liked, when I was attracted to a new display fixture of theirs at the FMI show," Graeter notes, adding that that fixture is a 12-foot "upfront unit." On that, he can run in-and-outs on seasonal lines—and "it's working good; when you're pressed for space, anything works good."

He's right about the major card companies not liking to go into stores with a display that's too small. "Sure, retailers with only small stores would like us to," says one manufacturer's spokesperson, "but, frankly, we'd rather let a jobber have the headaches that tend to come with the smallest accounts."

Even if a store is small, says Gerald Boxler, general manager of the two-store U-Save Super company based in Sterling, Colo., it's worth trying to find space for cards—and a supplier for them. "They provide a good profit return," he says. ■

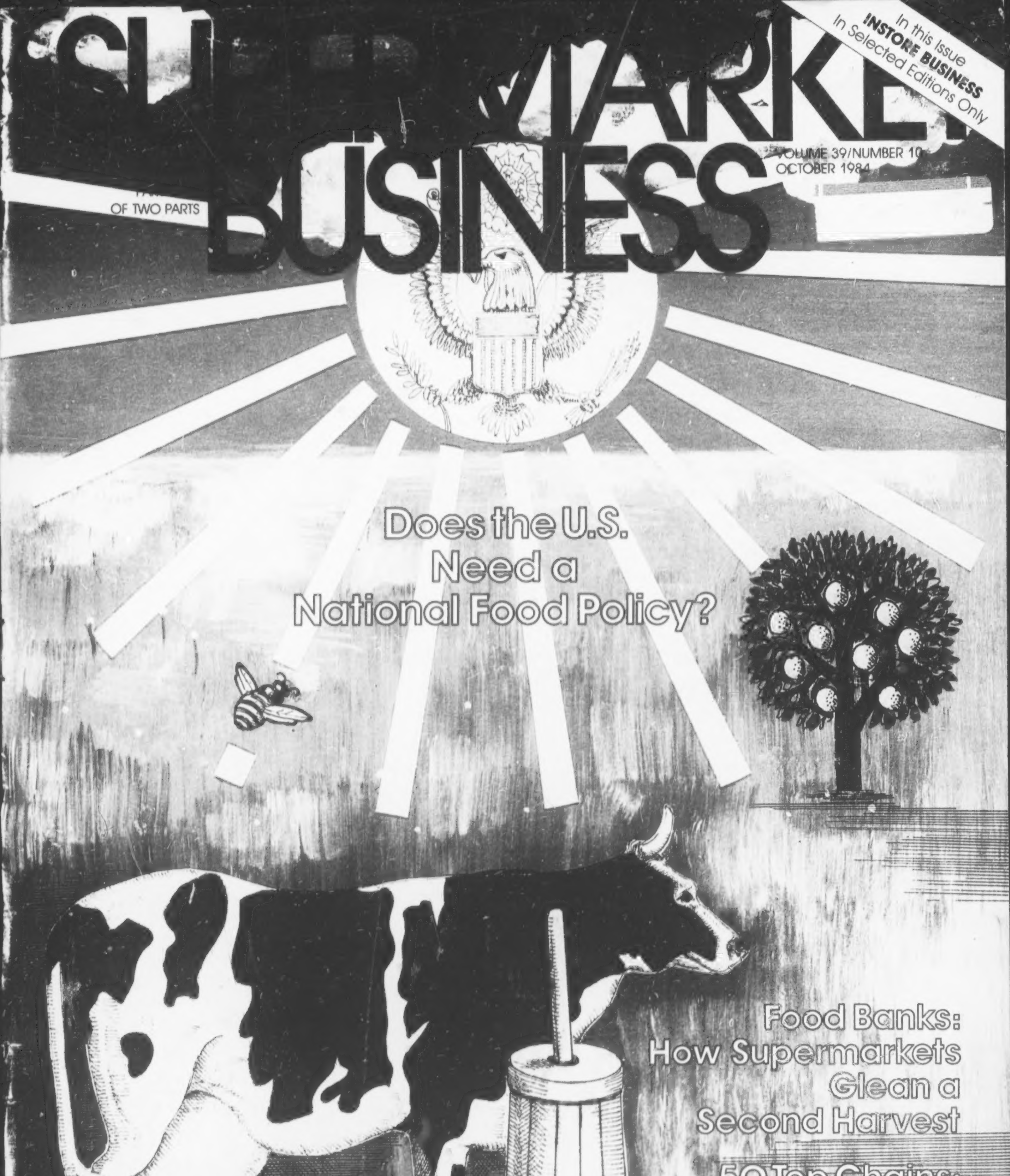
—DOUG HARRIS

In this Issue
INSTORE BUSINESS
In Selected Editions Only

SUPERMARKET BUSINESS

VOLUME 39/NUMBER 10
OCTOBER 1984

PA[illegible]
OF TWO PARTS



Does the U.S. Need a National Food Policy?

Food Banks: How Supermarkets Glean a Second Harvest

50 Top Chains: Sales & Net Income

SUPERMARKET BUSINESS

VOLUME 39
NUMBER 10
OCTOBER 1984

PUBLISHER:
Jeffrey A. Schaeffer
EDITOR:
Kenneth P. Partch
SENIOR EDITOR:
Douglas T. Harris, Jr.
MANAGING EDITOR:
Robert J. Hughes
ASSOCIATE EDITOR:
Kevin Coupe
ASSISTANT EDITOR:
Marianne Skoczek
ART DEPARTMENT:
Karen Sockler
CONTRIBUTING EDITORS:
Meat: **Kenneth Johnson,**
John Francis
Produce: **Barney H. McClure**
Technology: **Richard Shulman**
Store Planning: **David Rogers**
Washington: **S.S. Filippone**
CIRCULATION MANAGER:
Virginia Bucci Farner
PRODUCTION MANAGER:
Daniel Coakley
DIRECTOR OF PUBLICATION
RESOURCES AND RESEARCH:
Norman Bussel
(914) 528-1369

ADVERTISING SALES:
EAST:

SOUTHEAST REGIONAL SALES
MANAGER:
Peter Beyrent
EASTERN REGION ACCOUNTS
MANAGER:
Jerry Whitman
Fieldmark Media, Inc.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
CHICAGO:
MIDWEST DIVISION SALES MANAGER:
Dave Wishard
Fieldmark Media, Inc.
3530 W. Peterson Ave.
Chicago, Ill. 60659
312-583-1318
WEST COAST:
Sue Marritt
Fieldmark Media, Inc.
16133 Ventura Blvd., Suite 700
Encino, Calif. 91436
818-783-5888

FIELDMARK MEDIA, INC.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
212-354-5169
PRESIDENT:
Jeffrey A. Schaeffer
VICE PRESIDENT, EDITORIAL:
Kenneth P. Partch
VICE PRESIDENT, SALES:
Thomas M. Rigney
VICE PRESIDENT, ADMINISTRATION:
Catherine Cahill
VICE PRESIDENT, FINANCE:
Eric Braunstein
AFFILIATED PUBLICATION:
Milling & Baking News
Kansas City, Mo.

COVER ILLUSTRATION:
Robert Sirimban

SUPERMARKET BUSINESS Magazine (ISSN 0196-5700) is published monthly by Fieldmark Media, Inc., 25 W. 43rd St., New York, N.Y. 10036. Telephone: (212) 354-5169. Circulated free of charge to grocery retailers and wholesalers. U.S. subscriptions $32 per year; Canada, $37 per year. Foreign subscriptions $48. Single copies $3.50 except Consumer Expenditures Study (September issue) $20 per copy. (Discount prices available on multiple purchases.) Copyright © 1984 Fieldmark Media, Inc. All rights reserved. Second class postage paid at New York, N.Y., and additional mailing offices.

BPA ABP American Business Press, Inc.

PAGE 16
DO WE NEED A NATIONAL FOOD POLICY?

Is it feasible to look at farm policy in an isolated context from domestic, world, marketing, economic and political forces? It must be. And do supermarkets have a stake in agricultural policy? If supermarkets take their position as buying agent for the consumer seriously, then they most certainly do. Especially since the consumer has no voice in how policy is written and executed. Next year there will be a new, 1985 Farm Bill. There are a lot of areas that need to be addressed—and that aren't in this Presidential election year—before a new Farm Bill is finally drawn up.

PAGE 22
FOOD BANKS: HOW SUPERMARKETS GLEAN A SECOND HARVEST

There is a great demand for food that cannot be sold, because it is damaged. Over the years, responding to the pressures of citizens action groups, and the understanding of a need to help the hungry, food manufacturers and, eventually, supermarkets, have formed a network of food banks to help the needy. Supermarkets are continuing to join other members of the food industry in helping to fight hunger in this way. Here's a look at the history of food banks.

FACING PAGE 24:
INSTORE BUSINESS*

In this issue, some new turns on service are explored. The youthful staff at a new leased department, the deli at Petrini's, in California's affluent Marin County, is well schooled by its two young owners in the arts of food preparation and caring service. And Lucky has enhanced its bakery image, with a little help from a supplier. The store is convinced that service departments no longer mar a company's established price image.

PAGE 26
50 TOP FOOD CHAINS: SALES & NET INCOME

While sales for the 50 top grocery chains increased by 7.3 percent last year— 6.2 percent better than grocery stores in general—average profits for the group dropped almost five percent, as many chains fought an intense battle for share of market.

PAGE 32
WHAT INVESTORS CAN EXPECT FROM SUPERMARKET STOCKS IN 1985

After a year of shrinking profits, the best that most food stocks can offer investors is the prospect of long-term appreciation. Here are five companies with above-average potential.

FACING PAGE 44:
NONFOODS BUSINESS:*
PAGE 1B
THERE'S NOTHING COLD ABOUT STORAGE PRODUCTS

Changing American lifestyles are having a major impact on housewares and household product sales. The trend toward fresher food has meant a growth in storage products and greatest growth has been at supermarkets.
ALSO IN NONFOODS BUSINESS:
SAMI PAGE 2B

PAGE 46
CHECKOUT: WHAT SAFEWAY'S DOODY-DESIGNED PROTOTYPE GAINED AND LOST ON ITS WAY WEST

Safeway's new super store in California is more conventional in appearance than its groundbreaking Dallas predecessor. It also shows a very strong merchandising orientation.

OTHER FEATURES AND DEPARTMENTS

EDITOR'S VIEW PAGE 5
TRADESCAN PAGE 7
WASHINGTON BRIEFING PAGE 11
TECHNOLOGY PAGE 14
PRODUCE PAGE 38
NEW PRODUCTS PAGE 41
NEW EQUIPMENT PAGE 42
EXECUTIVE MOVES PAGE 44
CALENDAR PAGE 45

*** In selected editions only**

50 TOP CHAINS

BY NORMAN BUSSEL, DIRECTOR OF RESEARCH

Sales of 50 top grocery chains increased by 7.3 percent in 1983, a whopping 62 percent better than grocery stores in general, but average profits for the group dropped almost 5 percent as many chains fought an intense battle for share.

It was a year that should have brought better profits for the grocery industry. The economy was rapidly improving; employment and incomes were rising; food prices were more stable, and consumer confidence was stronger. But intense competition in the form of price wars, and double and triple couponing, coupled with increases in operating costs, nibbled away at margins as profits for 50 leading publicly-held chains declined 4.6 percent in 1983.

Combined sales for the group were up 7.3 percent, from $108.7 billion to $116.6 billion, while net income fell from $1.351 billion to $1.289 billion.

Among the largest gainers in sales were **Circle K** (+37.6 percent), **Southland** (+29.8 percent), **National Convenience Stores** (+29.5 percent), **Shop & Go** (+26.0 percent) and **Food Lion** (+23.8 percent). Companies with declining sales included **Conna Corp.** (−14.9 percent), **Allied Supermarkets** (−8.7 percent), **Arden Group** (−6.0 percent), **Pueblo International** (−5.8 percent) and **Fisher Foods** (−3.4 percent).

26 increase sales and earnings.

Twenty-six chains, just over half of those surveyed, reported gains in both gross sales and earnings. **Weiss Markets** again led all chains in earnings with a 5.62 percent margin. Weiss' record as a perennial leader in profitability is no accident. The game plan is apparent in several areas of operation. With most stores positioned outside metropolitan areas, Weiss avoids price cutting and double couponing tactics which affect many other chains. Because most of its stores are concentrated within Pennsylvania, Weiss enjoys low distribution costs. Also contributing to profits is the company's labor productivity average, which is better than industry standards.

Two companies that experienced earnings turnarounds were **Lucky Stores** (from −3.5 in 1982 to +14.3 percent in 1983) and **Circle K Corp.** (from −12.1 in 1982 to +42.9 percent in 1983). In December 1983, Circle K purchased UtoteM Inc., increasing sales from $747.8 million to over $1 billion, gaining 964 stores and producing a record net income of $21.7 million. Lucky's earnings included a gain from the sale of 13 Memco stores, while manuafacturing and processing operations also contributed to the company's profitability.

Southland registered the group's largest dollar increase in revenues as sales topped $2 billion, helped by the acquisition of Citgo Petroleum Corp. Other leaders in sales increases included **Safeway** (+952 4 million), **A&P** (+$614.2 million), **American Stores** (+475.9 million) and **Kroger** (+474.2 million).

Net income declines 11.7 percent

As a group, 50 Top Chains suffered an 11.7 percent drop in net income in 1983. Twenty-two companies slipped in earnings, compared with 17 in 1982. Among those showing decreased profits for the second straight year were: **Pantry Pride, Allied Supermarkets, Grand Union, Jewel** and **Marsh.**

Hardest hit was **Grand Union,** with a $115.5 million decrease in net income as revenues fell 2.3 percent. Grand Union's sales decrease was primarily the result of closing 223 stores, including marginally profitable areas in Texas, Florida and suburban Washington, D.C. Management reports additional pressures for the company in the past fiscal year as: "intense competition, escalating expenses, a major industry wide strike that affected our New Jersey stores, and costs of a pricing program and repositioning."

The biggest change in ranking of the top 10 companies in the group was **Southland's** jump from sixth to third place through the additional sales of Citgo Petroleum Corp., acquired in August 1983. Southland is the largest operator of convenience stores in the United States, with about 7,300 stores.

Safeway continues to be the number one chain in the nation, with consolidated sales of $18.6 billion in fiscal 1983. Both tonnage and customer transactions were up for the third consecutive year. Contributing to Safeway's domestic sales growth was its recent acquisition of 15 Brentwood Markets in northern California and 43 Weingarten stores in southeastern Texas and Louisiana. Safeway attributed its 14.8 percent earnings growth primarily to operating improvements such as: "recent efforts to become more price competitive and to enhance our merchandise assortment and presentation."

Although **Kroger,** number two on the list, showed a 3.2 percent sales gain in 1983, earnings dropped sharply to $127 million from $192 million in 1982, a 33.9 percent change. The company could cite no single reason for the decline, however, it pointed out that: "more aggressive competition in important Kroger markets, sluggish economic recovery in large portions of our trade area and higher costs over all had a profit-draining effect." Some areas of intense competition were Indianapolis, Detroit and Houston.

Lucky Stores rang up record sales and earnings in 1983 with its food stores accounting for slightly over half of pretax earnings. Operating results improved in Florida, southern California and Arizona. The company opened larger, new prototype

SALES AND NET INCOME OF 50 TOP PUBLIC OWNED FOOD CHAINS

(RANKED BY SALES VOLUME)

Rank '83	Rank '82	Company	Fiscal Year	SALES (add 000) 1983	SALES (add 000) 1982	% Change	NET INCOME (add 000) 1983	NET INCOME (add 000) 1982	Net Change (add 000)	% Change	Grocery Stores Operated 1983	Grocery Stores Operated 1982
1	1	**Safeway Stores** (Oakland, CA)	12/31/83	$18,585,217	$17,632,821	+ 5.4%	$183,303	$159,660	+ $23,643	+ 14.8%	2,507	2,454
2	2	**The Kroger Co.** (Cincinnati, OH)	12/31/83	15,236,013	14,761,764	+ 3.2	127,079	192,124	− 65,045	− 33.9	1,780	1,772
3	6	**Southland Corp.**[1] (Dallas, TX)	12/31/83	8,805,010	6,782,383	+ 29.8	131,768	108,051	+ 23,717	+ 21.9	7,299	7,249
4	3	**Lucky Stores** (Dublin, CA)	1/29/84	8,388,155	7,972,973	+ 5.2	105,400	92,228	+ 13,172	+ 14.3	567	561
5	4	**American Stores** (Philadelphia, PA)	1/28/84	7,983,677	7,507,772	+ 6.3	117,902	90,371	+ 27,531	+ 30.5	1,020	1,027
6	5	**Winn-Dixie** (Jacksonville, FL)	6/27/84	7,302,369	7,018,605	+ 4.0	115,916	113,460	+ 2,456	+ 2.2	1,231	1,219
7	7	**Jewel Companies** (Chicago, IL)	1/28/84	5,723,522	5,571,721	+ 2.7	83,053	88,109	− 5,056	− 5.7	766	763
8	8	**A&P** (Montvale, NJ)	2/25/84	5,222,013	4,607,817	+ 13.3	47,551	31,211	+ 16,340	+ 52.4	1,022	1,016
9	9	**Albertson's** (Boise, ID)	2/2/84	4,279,331	3,940,117	+ 8.6	70,281	58,375	+ 11,906	+ 20.4	432	416
10	11	**Supermarkets General** (Woodbridge, NJ)	1/28/84	3,517,548	3,247,338	+ 8.3	40,674	37,693	+ 2,981	+ 7.9	130	121
11	10	**Grand Union** (Elmwood Park, NJ)	3/31/84	3,436,848	3,519,341	− 2.3	−115,240	226	− 115,466	DOWN	395	510
12	12	**Stop & Shop Co.** (Boston, MA)	1/28/84	2,790,799	2,341,874	+ 19.2	50,801	34,823	+ 15,978	+ 45.9	118	120
13	13	**Giant Food** (Washington, DC)	3/25/84	1,957,435	1,852,134	+ 5.7	40,511	37,213	+ 3,298	+ 8.9	131	130
14	14	**Waldbaum's** (Central Islip, NY)	12/31/83	1,586,895	1,491,363	+ 6.4	13,940	16,825	− 2,885	− 17.1	142	140
15	15	**First National** (Maple Heights, OH)	3/31/84	1,276,976	1,267,563	+ 0.7	1,194	11,837	− 10,643	DOWN	142	156
16	17	**Cullum Co.** (Dallas, TX)	6/30/84	1,228,240	1,126,638	+ 9.0	12,577	13,854	− 1,277	− 9.2	128	132
17	16	**P&C (Pneumo)**[2] (Syracuse, NY)	11/30/83	1,216,261	1,144,821	+ 6.2	35,724	23,602	+ 12,122	+ 51.4	90	91
18	19	**Food Lion** (Salisbury, NC)	12/31/83	1,172,459	947,073	+ 23.8	27,718	21,855	+ 5,863	+ 26.8	226	182
19	22	**Circle K** (Phoenix, AZ)	4/30/84	1,028,853	747,844	+ 37.6	21,662	15,164	+ 6,498	+ 42.9	2,185	1,221
20	18	**Borman's Inc.** (Detroit, MI)	1/28/84	996,236	1,000,888	− 0.5	−10,915	7,419	− 18,334	DOWN	85	85
21	20	**Pantry Pride** (Ft. Lauderdale, FL)	7/30/83	941,635	930,163	+ 1.2	13,540	15,489	− 1,949	− 12.6	126	151
22	21	**Weis Markets** (Sunbury, PA)	12/31/83	891,857	812,215	+ 9.8	50,120	43,241	+ 6,879	+ 15.9	116	112
23	—	**Pacific Gamble Robinson**[2] (Minneapolis, MN)	12/31/83	833,199	836,878	− 0.4	3,121	3,781	− 660	− 17.5	103	107
24	23	**National Convenience Stores** (Houston, TX)	6/30/84	818,988	632,310	+ 29.5	18,450	14,226	+ 4,224	+ 29.7	1,065	1,015
25	24	**Bruno's Inc.** (Birmingham, AL)	6/30/84	715,761	605,156	+ 18.3	18,845	15,153	+ 3,692	+ 24.4	76	66
26	27	**Hannaford**[2] (S. Portland, ME)	12/31/83	624,340	559,209	+ 11.6	9,643	7,889	+ 1,754	+ 22.2	67	76
27	26	**Marsh Supermarkets** (Yorktown, IN)	3/31/84	604,953	567,956	+ 6.5	1,625	4,583	− 2,958	− 64.5	216	222
28	25	**Allied Supermarkets** (Detroit, MI)	6/30/84	535,630	552,000	− 8.7	− 2,566	14,800	− 17,366	DOWN	64	72
29	29	**Harris-Teeter**[2] **(Ruddick)** (Charlotte, NC)	10/2/83	541,327	521,759	+ 3.8	10,605	9,113	+ 1,492	+ 16.4	70	72
30	30	**Big V Supermarkets** (Florida, NY)	12/25/83	525,764	516,881	+ 1.7	5,512	7,302	− 1,790	− 24.5	31	30
31	36	**Penn Traffic**[2] (Johnstown, PA)	1/28/84	518,898	462,425	+ 12.2	6,402	5,360	+ 1,042	+ 19.4	75	68
32	35	**Shopwell Inc.** (Bronx, NY)	12/31/83	511,936	477,050	+ 7.3	1,799	2,876	− 1,077	− 37.4	65	68
33	28	**Fisher Foods** (Bedford Heights, OH)	12/31/83	506,420	524,328	− 3.4	509	− 176	+ 685	UP	48	45
34	34	**Sentry (Godfrey)** (Waukesha, WI)	2/25/84	499,398	485,715	+ 2.8	1,508	2,069	− 561	− 27.1	46	48
35	32	**Thriftmart Inc.** (Los Angeles, CA)	3/25/84	497,627	502,963	− 1.1	1,587	5,045	− 3,458	DOWN	39	41
36	31	**Pueblo International** (New York, NY)	1/28/84	476,806	505,912	− 5.8	3,882	3,906	− 24	− 0.6	44	44
37	37	**Seaway Food Town**[2] (Maumee, OH)	9/24/83	472,323	455,446	+ 3.7	3,431	4,049	− 618	− 15.3	73	74
38	33	**Arden Group Inc.**[2] (City of Commerce, CA)	12/31/83	464,282	494,051	− 6.0	1,767	2,890	− 1,123	− 38.9	64	81
39	39	**Foodarama** (Freehold, NJ)	10/29/83	439,971	425,961	+ 3.3	155	1,153	− 998	DOWN	31	34
40	38	**King Kullen** (Westbury, NY)	10/1/83	439,185	428,127	+ 2.6	2,484	2,414	+ 70	+ 2.9	55	55
41	41	**Munford Inc.** (Atlanta, GA)	12/29/83	395,795	372,405	+ 6.2	7,510	7,184	+ 326	+ 4.5	916	959
42	42	**Schultz Sav-O-Stores** (Sheboygan, WI)	12/31/83	368,813	362,464	+ 1.8	1,110	1,301	− 191	− 17.2	39	39
43	44	**Mayfair Super Markets** (Elizabeth, NJ)	9/3/83	341,180	319,462	+ 6.8	3,134	2,171	+ 963	+ 44.4	32	33
44	43	**Victory Markets** (Norwich, NY)	12/31/83	329,225	322,754	+ 2.0	2,914	2,636	+ 278	+ 10.5	87	90
45	45	**Village Supermarkets** (Springfield, NJ)	7/30/83	317,412	303,993	+ 4.4	1,776	1,625	+ 151	+ 9.3	21	20
46	46	**Mott's** (Hartford, CT)	12/31/83	295,357	293,888	+ 0.5	1,540	3,486	− 1,946	− 55.8	24	24
47	—	**Farm Fresh** (Norfolk, VA)	12/31/83	294,774	264,969	+ 11.2	7,080	5,435	+ 1,645	+ 30.3	28	28
48	49	**Shop & Go Inc.** (Mango, FL)	3/29/84	252,359	200,251	+ 26.0	8,944	6,421	+ 2,523	+ 39.3	430	415
49	48	**Conna Corp.**[3] (Louisville, KY)	5/27/84	200,006	229,750	− 14.9	22	88	− 66	DOWN	405	[illegible]
50	50	**Sunshine-Jr. Stores Inc.** (Panama City, FL)	12/29/83	169,273	172,322	− 1.8	1,818	1,782	+ 36	+ 2.0	345	344
		TOTAL		$116,560,351	$108,651,813	+ 7.3	$1,289,166	$1,351,392	− $62,226	− 4.6	25,196	24,344

—Not shown in 1983 listing

[1] Number of stores includes 7-Eleven, Gristede: and Charles & Co. only

[2] Total company sales and net income.

> **Price wars struck the hardest blow in slashing net profits for 22 companies on the list.**

food centers in every food division. Service departments now total over 150 and consist primarily of instore bakeries, delis and pharmacies.

American Stores also set new highs for sales and earnings in 1983. Sales increased 6.3 percent and net earnings grew by a solid 30.5 percent. Management feels that this growth is the result of its "emphasis on the development of larger combination drug/food stores in those markets which are projected to have greater than normal economic and population growth."

Winn-Dixie completed the fiscal year with a 4.0 percent gain in sales, while net income increased by only 2.2 percent, compared with 9.0 percent in 1982. Aggressive competition in many of the company's market areas has required additional investment in promotional spending and a slowdown in price increases. The Florida market, with its high income and growing population, is seen as a promising area by some major chains and competition is stiff.

Jewel Companies, still number seven on the Top 50 list, established a new record in sales in 1983, but consolidated net earnings fell 5.7 percent below 1982. The company attributes the shortfall in United States income almost entirely to lower-than-expected results at Sav-On Drugs. Free-standing drug stores and combination food/drug stores figure importantly in the company's future. In 1983, Jewel invested in 30 drug stores and 11 new combo stores; 15 conventional supermarkets were converted to combo units. Consequently, the sales mix has changed in the past 10 years, from basically a supermarket company deriving 73 percent of sales from food stores and less than 12 percent from drug stores to 1983 sales of 62 percent from food and 32 percent from drug.

A&P, celebrating its 125th year in 1984, topped the list for increased earnings with a 52.4 percent improvement over 1982, while sales gained 13.3 percent. Once boasting 15,000 grocery stores carrying the A&P name, the company now stands at a lean 1,022 supermarkets. A&P's showing in 1983 was assisted by the acquisition of Wisconsin-based Kohl's Food Stores, plus a three-and-a-half week strike at competitive supermarkets in New Jersey.

Albertson's closed the year with an 8.6 percent gain in sales and a respectable 20.4 percent rise in earnings. Thirty new stores were opened in 1983, including four combination food/drug units, 23 large superstores, two grocery warehouse stores and one conventional supermarket. Albertson's plans to increase market share include continued expansion in their present operating areas, plus new ventures into the Central Plains states. Forty-two new stores are scheduled to open in 1984. An important factor in Albertson's growth is that stores are located principally in fast-growing markets in the Southwest, where operating costs tend to be lower than in other regions.

Supermarkets General logged its ninth consecutive year of record sales and earnings. Revenues from Pathmark supermarkets alone climbed to over $3 billion, despite intense competitive activity in the second half of the year and a strike that affected 47 supermarkets. Pathmark says much of its sales success is the result of new merchandising programs, including: specialty cheese shops (now in 55 stores), large book departments (in 51 stores), and the testing of nutrition centers, salad bars, bakeries and an expanded produce department.

The wars that nobody wins

Price wars struck the hardest blow in slashing net profits for 22 companies on the list of 50 Top Chains surveyed. Even the chains showing gains in sales and profits were not unaffected by price cutting, but were simply engaged in conflicts to a lesser degree.

Higher operating expenses also contributed to reduced profits and, with the cost of

Continued on page 40

THE 10 FASTEST GAINERS IN SALES
(Greatest Dollar Increases)
(Add 000)

Chain	Sales 1983	Sales 1982	Increase in Sales
Southland Corp.	$8,805,010	$6,782,383	$2,022,627
Safeway Stores	18,585,217	17,632,821	952,396
A&P	5,222,013	4,607,817	614,196
American Stores	7,983,677	7,507,772	475,905
The Kroger Co.	15,236,013	14,761,764	474,249
Stop & Shop Co.	2,790,799	2,341,874	448,925
Lucky Stores	8,388,155	7,972,973	415,182
Albertson's	4,279,331	3,940,117	339,214
Winn-Dixie	7,302,369	7,018,605	283,764
Circle K	1,028,853	747,844	281,009

THE 10 FASTEST GAINERS IN SALES
(Greatest Percentage Increases)

Chain	Percent Gain in Sales	Sales Rank 1983	Sales Rank 1982
Circle K	37.6%	19	22
Southland Corp	29.8	3	6
National Convenience Stores	29.5	24	23
Shop & Go Inc.	26.0	48	49
Food Lion	23.8	18	19
Stop & Shop Co.	19.2	12	12
Bruno's Inc.	18.3	25	24
A&P	13.3	8	8
Penn Traffic	12.2	31	36
Hannaford	11.6	26	27

THE 10 BEST PROFIT MARGINS
(Net Income After Taxes as Percent of Sales)

Chain[1]	1983	1982
Weis Markets	5.62%	5.32%
Shop & Go Inc.	3.54	3.21
Bruno's Inc.	2.63	2.50
Farm Fresh	2.40	—
Food Lion Inc.	2.36	2.31
National Convenience Stores	2.25	2.25
Circle K	2.11	2.16
Giant Food	2.07	2.01
Harris-Teeter (Ruddick)	1.96	1.75
Munford Inc.	1.90	1.93

[1] Includes only those chains with no reported losses in either year.
— Not shown in 1982 listing

THE 10 BIGGEST GAINERS IN EARNINGS
(Greatest Dollar Increases)
(Add 000)

Chain[1]	Earnings 1983	Earnings 1982	Net Increase in Earnings
American Stores	$117,902	$ 90,371	$27,531
Southland Corp.	131,768	108,051	23,717
Safeway Stores	183,303	159,660	23,643
A&P	47,551	31,211	16,340
Stop & Shop Co.	50,801	34,823	15,978
Lucky Stores	105,400	92,228	13,172
P&C (Pneumo)[2]	35,724	23,602	12,122
Albertson's	70,281	58,375	11,906
Weis Markets	50,120	43,241	6,879
Circle K	21,662	15,164	6,498

[1] Includes only those chains with no reported losses in either year.
[2] Based on total company sales.

THE 10 FASTEST GAINERS IN EARNINGS
(Greatest Percentage Increases)

Chain[1]	Percent Gain in Earnings	Earnings Rank 1983	Sales Rank 1983
A&P	52.4%	11	8
P&C (Pneumo)	51.4	14	17
Stop & Shop Co.	45.9	9	12
Circle K	42.9	16	19
Shop & Go Inc.	39.3	24	48
American Stores	30.5	4	5
Farm Fresh	30.3	26	47
National Convenience Stores	29.7	18	24
Food Lion	26.8	15	18
Bruno's Inc.	24.4	17	25

[1] Includes only those chains with no reported losses in either year.

THE 15 DECLINES IN EARNINGS

Chain	Earnings or Losses (000) 1983	Earnings or Losses (000) 1982	Net Decline in Earnings (000)
Grand Union	−$115,240	$226	−$115,466
The Kroger Co.	127,079	192,124	−65,045
Borman's Inc.	−10,915	7,419	−18,334
First National	1,194	11,837	−10,643
Jewel Companies	83,053	88,109	−5,056
Thriftimart Inc.	1,587	5,045	−3,458
Marsh Supermarkets	1,625	4,583	−2,958
Waldbaum's	13,940	16,825	−2,885
Pantry Pride	13,540	15,489	−1,949
Mott's	1,540	3,486	−1,946
Big V Supermarkets	5,512	7,302	−1,790
Cullum Co.	12,577	13,854	−1,277
Arden Group Inc.	1,767	2,890	−1,123
Shopwell Inc.	1,799	2,876	−1,077
Allied Supermarkets	−2,566	14,800	−17,366

WHAT INVESTORS CAN EXPECT FROM SUPERMARKET STOCKS

BY NORMAN BUSSEL

After a year of shrinking profits, the best that most food chain stocks can offer investors is the prospect of long-term appreciation. Here are five companies with above average potential of outperforming the market in the year ahead.

If some investors see supermarket stocks as low priority additions to their portfolios, the disappointing earnings for grocery chains in general during 1983 did little to change their views. Among the 50 top chains surveyed by SUPERMARKET BUSINESS in this issue, profits declined almost five percent on average.

But some chains showed record sales and earnings in 1983; prospects for even better profits in 1984 make some companies attractive buys now, while others appear promising for the long-term, according to the June 1984 edition of *The Value Line Investment Survey*.

With projected food price inflation in the five percent range, compared with 1.1 percent for food at home in 1983, Value Line feels chains should have the better pricing flexibility necessary to offset cost increases in operating expenses.

As the economy continues to grow stronger, employment and income levels will rise, and increasing consumer confidence should stimulate sales of higher margined general merchandise and specialty items.

The prospect of better margins will also depend heavily on how well supermarket chains can control costs, such as labor and energy. With labor expecting to benefit from companies' rise in profitability, however, negotiations could be prolonged and contested. A rising number of supermarket strikes is possible depending on the bargaining toughness of both labor and management.

Value Line sees some indications that the heightened merger activity in the nonfood retailing sector could spread to supermarkets. But even beyond the speculative appeal of potential takeovers, Value Line considers some supermarket stocks to have good growth potential.

A&P has even more to celebrate in 1984 than its 125th anniversary. With the fiscal year ended February 25, 1984, the company showed earnings increases of 52.4 percent on a sales gain of 13.3 percent. Value Line ranks A&P number one in "Timeliness" (Relative Price Performance Next 12 Months).

This eighth largest grocery chain operates 1,022 stores in the United States and Canada. The company is engaged in a program of remodeling which, for many stores, includes special service departments such as deli-bakery, gourmet meats, service seafood, and pasta and cheese islands.

Among the steps taken by A&P to achieve greater profitability were the closing of almost 500 unprofitable stores since fiscal 1981 and the disposition of its money-losing food processing facilities. In addition, payroll costs are now about 11 percent of sales, vs. about 13 percent two years ago.

A&P's new subsidiary, Kohl's Food Stores, contributed to fourth-quarter earnings which nearly doubled to 23 cents a share. With a recent court ruling, it appears that A&P will receive $275 million in excess pension plan funds on a tax-free basis during fiscal 1984. This additional capital makes it seem likely that A&P may purchase another supermarket chain and also continue to upgrade existing stores.

Value Line feels that rising food price inflation will have a positive affect on A&P's bottom line this year and beyond, and estimates that earnings will rise 25 percent in fiscal 1984, to $1.05 a share, and are likely to outperform the year-ahead market. Value Line believes the three- to five-year prospects appear promising, and that accelerated capital spending and a lower cost structure will bring A&P its highest profit margins in 20 years by 1986-88. This equity offers worthwhile appreciation potential to that time.

Albertsons operates 432 stores in 18 western and southern States, including 89 combination food-drug units, 69 superstores, 295 conventional supermarkets and 19 special markets called "The Grocery Warehouse." Albertson's net income rose 20.4 percent in the fiscal year ended February 1984 and sales increased 8.6 percent. During fiscal 1983, Albertson's opened 30 new stores and closed 14, increasing net selling space 7.5 percent. Since most of its operations are in the fast-growing markets of the Southwest, the company enjoys lower operating costs than stores in other regions.

With more selling space and a predicted higher rate of food price inflation, Value Line looks for the company to produce revenue gains in the 13 percent range for fiscal 1984. If operating expenses increase only moderately, earnings should advance 16 percent in fiscal 1984, to $2.50 a share. Value Line feels that these share are "a timely selection for above average performance in the year ahead."

Over the next five years, Albertson's plans to open 240 new units and to remodel 120 existing stores. Most of the new outlets will be super stores or combination stores. Value Line's outlook is that, "annual earnings gains of 16 percent over the next three to five years seem within the company's reach," and "that, in turn, could lead to worthwhile capital appreciation for patient holders of these shares."

American Stores Company operates 1,020 units in the West, Midwest, Mid-Atlantic and Southwest, including combination drug-food stores, super drug centers, drug stores and food stores. Principal operating subsidiaries are Alpha Beta Company, Skaggs Companies, Acme Markets, and Rea and Derick. In the fiscal year ended January 1984, American Stores net income increased 30.5 percent on a sales gain of 6.3 percent. Value Line believes the company is headed for its fourth consecutive year of record earnings. Anticipating Albertson's entry into the Dallas market, American Stores plans to remodel 32 combination stores in Texas and Oklahoma. American Stores recently merged with Jewel Companies in Chicago, which runs over 620 stores.

Value Line considers American Stores a good investment for the year ahead, with a "Timeliness" factor of "2-Above Average." Fiscal 1984 earnings are estimated at $4.35 a share and the stock's price-earnings multiple is significantly below that of the average company that Value Line follows and much lower than they think appropriate for a company with expected annual earnings growth of about 15 percent over the long term. Value Line perceives above-average capital gains for investors willing to hold these shares for three to five years.

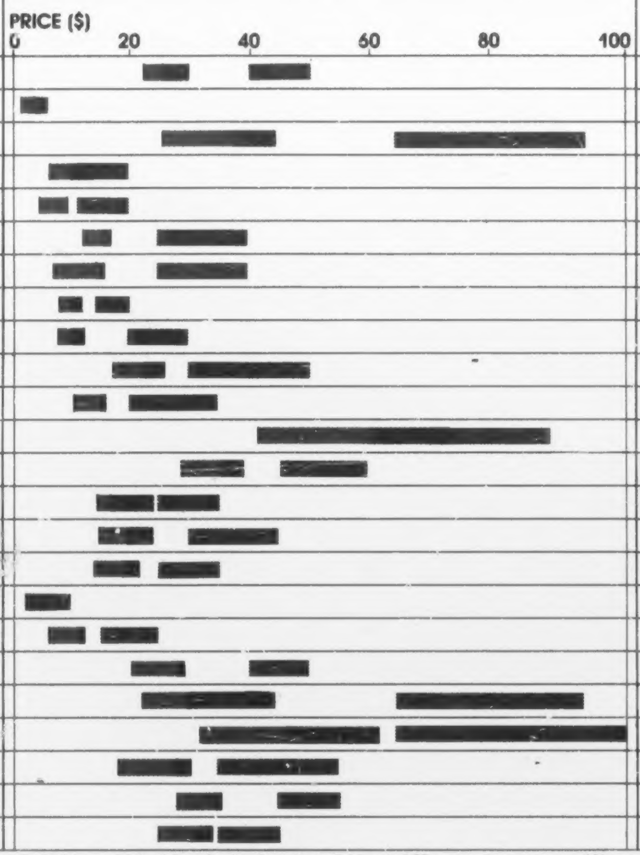
Giant Food's trading area is Washington,

Continued on page 36

HOW SOME TOP PUBLICLY OWNED FOOD CHAINS PERFORMED

1984 Range[1]: Low — Last — High

Value Line Projected Range 1986-1988



Company	P/E Ratio	Earnings Yield (%)	Dividend Yield (%)
Albertson's	9.4	10.7	3.0
Allied Supermarkets	58.0	1.7	Nil
American Stores	7.6	13.1	2.1
Arden Group Inc.	10.1	9.9	Nil
Borman's Inc.	14.2	7.0	Nil
Bruno's Inc.	11.8	8.5	2.1
First National	*	*	0.5
Fisher Foods	*	*	Nil
Food Lion[2]	15.9	6.3	0.4
Giant Food	7.6	13.2	3.6
Great Atlantic & Pacific Tea Co.	16.1	6.2	Nil
Jewel Companies	8.4	11.9	5.1
The Kroger Co.	10.8	9.3	6.8
Lucky Stores	7.8	12.9	7.5
Munford Inc.	9.1	11.0	3.2
National Convenience Stores	12.2	8.2	3.0
Pantry Pride	25.0	4.0	Nil
Pueblo International	7.1	14.1	1.8
Safeway Stores	7.0	14.3	6.7
Southland Corp.	7.5	13.4	3.2
Stop & Shop	8.6	11.7	2.6
Supermarkets General	8.3	12.1	2.1
Weis Markets	11.7	8.5	2.0
Winn-Dixie	10.2	9.8	5.8

[1] Ending September 7, 1984 [2] Yearly price range adjusted from old stock to reflect split or stock dividend of 25 percent or more * No meaningful figure

Source: The Value Line Investment Survey, Edition 10, June 1, 1984

SUPERMARKET STOCKS

With a healthy economy, supers are striving to improve their share of nonfood dollars.

Continued from page 32

D.C., Maryland and Virginia. Of the company's 132 supermarkets, 93 are in the D.C. metropolitan area and 74 have pharmacies. Value Line projects another year of record earnings for Giant in fiscal 1984, estimating performance in the 12 percent range.

Giant was the first chain in the Baltimore/Washington area to develop full scanning capability, which lowered labor costs by eliminating the need for individual price marking. Plans call for the opening of 15 new stores over the next two to three years, the addition of two combination stores and the remodeling or enlargement of several others. The company expects to add salad bars, now in 77 stores, to all 132 supermarkets and has also set a goal of installing automated instore teller machines, thereby providing customers with access to 90 percent of the region's banks.

Giant's financial position appears to be strong. With more than $70 million in cash, plus the dollars generated from ongoing operations, Giant's working capital and capital spending requirements should be met with very little external financing. Value Line ranks Giant's "Timeliness" or "Relative Price Performance Over the Next 12 Months" as "Above Average."

Pueblo International Inc. operates 44 supermarkets in Puerto Rico, the U.S. Virgin Islands and Florida. Pueblo stores consist of three formats: conventional supermarkets, Mas and Super Foods warehouse stores, and the new Xtra super stores, which average over 75,000 square feet each. Each Xtra store is capable of turning its inventory thirty times a year on volume of over $40 million. Plans call for two new Xtra stores in Puerto Rico during this fiscal year and one more in Florida early in 1985.

Value Line expects Pueblo's earnings to be sharply higher in 1984 on a projected 15 percent sales increase. Although Value Line sees Pueblo's shares as outperforming the market in the year ahead, it states that, "risk-averse investors may wish to defer commitments until the company puts together a few profitable quarters." In the past, Pueblo's earnings have been erratic when the company ventured outside the supermarket business. With its divestiture of Holsum Bakers in Puerto Rico and Venezuela, and two radio stations in Puerto Rico, all during 1983, Pueblo has emphasized management's belief that its future is in food retailing.

The myth that the grocery industry is recession-proof will persist probably as long as there is someone to ask, "People have to eat, don't they?" Our most recent bout with a recession, however, disproves the theory most convincingly. In 1982, with rising unemployment and a slowdown in wage increases, consumers showed that they could cut back on non-essential purchases and supermarket chains felt the affect as higher-margined non-food sales suffered.

Now, with a healthy economy, supermarkets are striving to improve their share of non-food dollars and most chains are planning larger stores in 1984 and beyond. This trend toward one-stop shopping should increase profits as supermarkets devote more space to pharmacy, general merchandise, and health and nutrition products. If the economy continues to improve over the next few years, the Eighties could be the decade when supermarket stocks become favorites of investment analysts. ■

PRODUCE

Continued from page 38

Although only 8,000 bushels were shipped to the United States this year, according to the North American importer, Oppenheimer, in Vancouver, Canada, it's "only the beginning." They expect that the Braeburn will be one of the largest sellers of the future, again due to its exceptional eating qualities.

In the case of both varieties, the marketing organization finds that the product does not look as good as it tastes and should be sampled in order to give it the proper introduction. They find that both the Gala and Braeburn start slowly, but as soon as the consumer discovers them, retailers literally run out of product because of repeat purchases.

Old standbys

With all these new products around, what's happening to the old standbys? Actually, across the country, apple growers and apple promotion committees, boards and associations are reporting that 1984 is a vintage year for size, color, and flavor. This seems to be as true in New York as it is in Washington, and virtually every other producing state reports similar projections for its crops.

In total, this means that better than 200 million bushels of apples will be produced with approximately 50% of those going to the fresh market and the other 50% to applesauce, apple cider, apple juice, frozen apple pies and other products found in the grocery side of the supermarket.

This means that the per capita consumption of apples will continue to be right at 20 pounds per man, woman, and child in the United States. In the fruit category this means that bananas are still the only product that tops apples in total per capita consumption or tonnage sold. In dollar volume, the apple continues to stand alone as the number one fruit in produce. ■

FOOD BANK

Continued from page 25

Schaller: "One of the most important things that supermarkets have done and can continue to do is advocate us and food banking in general to their vendors. They can have a tremendous amount of weight."

A real need

Any discussion of food banking cannot ignore the need behind such a plea or the reasons for the dramatic growth of food banks (and the agencies they serve) in recent years.

Many supermarkets and suppliers attribute increases in donations and those receiving them to an increased public and industry-wide awareness of food banks and hunger. Nabisco Brands' director of contributions, Marion Sheslow, echoes the experience of many in the industry: "Within our own organization people have become more attuned to food banking . . . there's a lot more confidence and a lot more knowledge."

But increased efficiency and a willingness to become involved are, many food bankers believe, just part of the picture. The remainder is filled by an undeniable increase in need. Louis Gonzalez, a spokesperson at Safeway's San Francisco division, admits that "As a board member of a local food bank, I've seen it (need). Our clients report a 25-35 percent increase in the number of people coming to them." And his observation merely reiterates, on a smaller scale, the findings of such reports as the U.S. Conference of Mayors' case studies, "Hunger in American Cities" (published in June, 1983) and the study of hunger in New England conducted by Larry Brown of the Harvard School of Public Health (published late last fall).

Those in closest contact with the needy are also the quickest to point to the increased numbers of needy people and perceived reasons for this. Although intended to be a supplement to federal food programs, food banks and their agencies have, in many instances, found themselves taking on increased feeding responsibilities. Many food bank workers find reports such as that issued by the President's Task Force on Food Assistance (last January) incomplete at best and deliberately distorted at worst.

Boston Food Bank's Kirk Meyer is one of the Task Force's more vocal refuters: "Hunger is *not* anecdotal; it definitely does exist. Most of the people involved in working with the hungry would violently disagree with the government commission's findings." For Meyer, as for many food bankers, recent increases in the needy are the direct result of government food program cutbacks, coupled with the highest unemployment rate in decades. And although unemployment has been decreasing, Community Food Bank's Kitty Schaller is quick to point out that many, nonetheless, remain out of work.

Demand for unsellable food is not likely to slacken in the coming years, and supermarketers are continuing to join other members of the food industry in helping meet this need. A joint effort, such as a handbook on food banking currently being prepared by FMI and GMA, is an indicator of the growing awareness of the importance of donating rather than dumping. As Kings Super Markets' Robert Bildner explains, "It just makes good sense for everybody." ■

FOOD POLICY

Continued from page 18

concerns 2.3 million farmers and associated services and industries. These are facts about U.S. farms:

☐ About 10 percent of the farmers produce about two-thirds of the output; they earn most of the family income from farms, which averages about $85,000 annually.

☐ Some two-thirds of the farmers receive 80 percent of their income off non-farm sources. In other words, they have other jobs, and have average family incomes above the national average. They account for only 10 percent of farm output.

☐ Interest expenses alone account for almost 20 percent of total cash outlays for farmers.

☐ The top 13 percent of farms receive 45 percent of direct government payments, while 71 percent of farms get only 22 percent of payments.

☐ Total expenditures by CCC, alone, in 1983 amounted to $19.5 billion.

☐ Although only one-third of agriculture is covered by commodity programs, they indirectly affect many others, such as livestock, that have no direct support.

Agricultural or farm policy, then, is too important to be left to farm interests, alone. Certainly, everyone in the food chain, farmers, processors, distributors and retailers, has a stake in agricultural policy for the remainder of the 80's. Perhaps this is reason enough to take a much broader view of where we are and how we got there. Perhaps this is the time to throw out the crazy quilt of farm legislation and write an entirely new program—one that really does include everyone in the chain from farm to consumer. ■

50 TOP CHAINS

Continued from page 28

Higher operating expenses also contributed to reduced profits and, with the cost of food at home increasing by only 1.1 percent in 1983, according to the U.S. Department of Labor's Consumer Price Index, there was no cushion to offset these expenses.

If anyone benefits from grocery price wars, it is the American consumer. In 1983, Americans spent 11.4 percent of disposable income on food, compared with 12.1 percent in 1980. Because the average American family now has two wage earners, more money is available for food away from home and, in 1983, consumers spent record dollars on eating out. Restaurant sales increased 11.2 percent; tonnage grew 6.5 percent; prices went up 4.4 percent; and the share of the food dollar reached 36.5 percent, a gain of 6.4 percent over the previous year.

To combat this loss of revenue to restaurants and fast food outlets, grocery chains are rapidly adding service departments to attract shoppers and claim a greater share of the food dollar. Many chains have expanded their service departments and many more are planning to add larger selections of fresh deli, hot foods/entrees, soups, salad bars, fresh pasta and ethnic specialties, as well as fresh baked goods and seafood bars.

As the battle for share continues, the big guns in grocery chains' arsenals will undoubtedly be larger store formats, including combination food/drug stores, superstores and warehouse stores, with expanded product mixes, and much more variety in health and nutrition products to accomodate consumer interest. ■

NonFoods
BUSINESS

SAMI UPDATE:

June's Gain Is July's Loss in HBA

BY ALAN MILLER, JR.

This is the issue of the year when we report on a double-header in HBA food store sales, since SAMI has 13 four-week reporting periods while there are only 12 monthly issues of SUPERMARKET BUSINESS.

Looking at both ends of the double-header, we note a split, with a gain of 1.4 percent in the period ending June 22 and an identical loss rate during the SAMI period which concluded July 20, 1984. Both of these reporting periods were pitted against strong growth trends in the corresponding periods a year earlier: a gain of 4.4 percent in June and a record increase of 7.8 percent in July.

In June of this year at the product group measurement level, the gains were six to two over losses. Declines were found among deodorants (−0.6 percent) and shaving needs (2.1 percent) while the highest four-week rate of gain in June (+3.7 percent) occurred among skin care aids. The score was closer in June from a category recap standpoint with gains narrowly outpacing losses by a 26 to 24 margin. The highest increase was in the home of the new mousse hair products, a mighty 361.5 percent lift for hair setting needs. The highest percentage loss in the four-week June period was 12.0 percent for feminine hygiene deodorants followed closely by a drop of 11.4 percent for cream deodorants.

Looking at the July figures, there were plusses for five product groups and minuses for three. There were 28 categories in the black compared with 22 in the loss column. The most disturbing downward trends for July took place in the oral hygiene product group, where unit volume overall fell 13.9 percent paced by an extraordinary fall-off of 21.3 percent for toothpaste and powder. The high volume proprietary remedy product group enjoyed a gain of 5.6 percent in July in part because of the 9.8 percent jump in unit volume for internal analgesics.

Looking at trends from product group to product group during the two reporting periods, we come first to baby needs where only one of four categories reported exhibited a decline in each period—infant clothes with a loss of 3.1 percent in June and baby oils, creams and lotions recording a small 0.7 percent dip in July. Volume in the overall product group moved ahead in both periods, 3.0 percent in June and one percent in July.

Deodorants split

Deodorants as a product group had a split decision with a minor product group decline of 0.6 percent in June, followed by a gain of two percent in the

STYLING
MOUSSE
HAIR
DIPPITY DO IT!
PROSTYLE
5000 WATTS

SAMI

more recent period. Four of the same five categories suffered unit volume losses in both periods. These were spray deodorants (−5.1 percent and −4.2 percent), cream deodorants (−11.4 percent and −15.1 percent), deodorant and talcum powder (−0.5 percent and −3.1 percent) and finally feminine hygiene deodorants (−12.0 percent and −20.2 percent). The most important gain in June was −13.9 percent for foot deodorants and athlete's foot remedies while in July roll-on deodorants advanced 12.2 percent following a drop of 0.1 percent in the June period.

There were small gains for both first aid categories in each period.

In the hair care needs product group, the proliferation of hair styling mousse brands has expanded the hair setting needs product category dramatically from a percentage standpoint, but volume among these items is still relatively modest when viewed in comparison with shampoos, rinses or hair sprays. Shampoo sales were slightly below year ago levels but it should be kept in mind that the July 1983 unit sales figure represented a hefty 10.3 percent jump over the July 1982 period. Hair sprays have been enjoying strong advances this summer with increases of 11.3 percent for June and 7.7 percent for July. Volume contributed by the national introduction of Helene Curtis' Finesse coupled with strong performance by Rave, Jhirmack and All Set help to account for the upbeat hair spray trends. Both home permanent kits and hair coloring items are continuing to post small rates of decline. These losses were against similarly weak periods in June and July of 1983 compared with the same periods two years ago in 1982. Hair dressing needs (mostly hair grooms for men and ethnic preparations) have been in plus territory for several months.

Oral rub-outs

In the oral hygiene product group there was a startling trend reversal for toothpastes comparing the 6.1 percent increase in June and the 21.3 percent decline in July. Colgate's new pump was still in limited distribution and new volume from Minnetonka's Check Up pump was not sufficient to offset major brand declines in unit volume. One suggested explanation for the July loss in dentifrice volume that may deserve further probing is that couponing and price-off activity earlier in the year may now be keeping some of the bargain hunters from replenishing their supplies. Mouthwash sales were down 7.3 percent in June but recovered to post a gain of 4.9 percent in the July reporting period. Breath fresheners, with small volume, moved upward in both periods. Denture cleaners were down in both months as were toothbrush sales but denture adhesives enjoyed continuing gains.

The strong performance among major categories of proprietary remedies, particularly in July, is on top of even stronger upward trends in the corresponding year earlier periods vis-à-vis 1982. Antacids had a modest loss in June but came back in July with a 1.9 percent increase. Internal analgesics gained momentum in July, aided in part by two new entries and by continuing share gains for Sterling Drug's Panadol. Of SAMI's four categories involving remedies for coughs and colds, only cold tablets registered unit volume gains in both summer months under study. Cough remedies and chest rubs in July recorded advances of 3.8 percent and 0.4 percent respectively. Double digit increases were posted by sleeping aids in both months in the amounts of 11.9 percent and 10.2 percent. Eye care products continue to enjoy impressive rates of gain and the current increases in excess of 20 percent are on top of major increases a year ago. Appetite suppressants improved their gain rate from 5.4 percent in June to 9.4 percent in July.

Close shaves

Moving on to shaving needs, the only category with upward momentum of the five measured by SAMI is after shave lotions with increases of 9.4 percent and 2.4 percent in June and July. Shaving creams

Continued on page 6B

HEALTH & BEAUTY AIDS:
SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO		
	4 WEEKS ENDING 5/25/84	4 WEEKS ENDING 6/22/84	4 WEEKS ENDING 7/20/84
BABY NEEDS	+ 0.1%	+ 3.0	+ 1.0%
Baby Powders	− 8.3	+ 7.8	+ 2.3
Baby Oils, Creams & Lotions	− 2.4	+ 2.0	− 0.7
Infant Clothes	− 7.1	− 3.1	+ 3.5
Nursing Supplies	+ 5.2	+ 3.1	+ 1.5
DEODORANTS	+ 3.8%	− 0.6%	+ 2.0%
Sprays	− 2.5	− 5.1	− 4.2
Roll-On	+ 8.3	− 0.1	+12.2
Stick Deodorants & Pads	+11.1	+ 2.8	+ 0.9
Creams	−13.7	−11.4	−15.1
Deodorants & Talcum Powders	− 6.8	− 0.5	− 3.1
Feminine Hygiene Deodorants	−13.5	−12.0	−20.2
Foot Deodorants & Athlete's Foot Remedies	+14.8	+13.9	+ 5.2
Feminine Douches	− 2.0	+ 1.4	+ 4.5
FIRST AID	− 0.7%	+ 1.3%	+ 2.2%
Antiseptics	+ 8.3	+ 0.1	+ 2.3
First Aid Products	− 3.2	+ 1.7	+ 2.1
HAIR CARE NEEDS	+ 6.2%	+ 3.0%	+ 2.8%
Shampoos	+ 4.7	− 0.6	− 1.3
Hair Sprays	+10.0	+11.3	+ 7.7
Hair Conditioning Rinses	− 2.3	− 3.2	± 0.0
Hair Setting Needs	+386.2	+361.5	+365.1
Home Permanent Kits	− 3.4	− 5.6	− 0.7
Hair Coloring	− 2.7	− 2.4	− 1.0
Hair Dressing Needs	+ 5.5	+ 3.6	+ 1.1
ORAL HYGIENE	+ 6.7%	+ 1.8%	− 13.9%
Toothpastes & Powders	+ 8.9	+ 6.1	− 21.3
Mouthwashes	+ 1.0	− 7.3	+ 4.9
Breath Fresheners	+14.6	+ 4.2	+ 7.7
Denture Cleaners	− 3.1	− 5.2	− 7.3
Denture Adhesives	+ 0.6	+ 4.4	+11.6
Toothbrushes	+ 7.4	− 6.0	− 9.4
PROPRIETARY REMEDIES	+ 2.4%	+ 1.2%	+ 5.6%
Antacids	+ 2.7	− 0.4	+ 1.9
Internal Analgesics	+ 0.7	+ 1.1	+ 9.8
External Analgesics	+ 4.4	+ 1.2	+ 6.3
Cold Tablets	+13.5	+ 9.4	+ 5.6
Nasal Sprays—Drops—Inhalers	− 1.8	− 3.5	− 4.6
Chest Rubs	+ 0.1	− 3.7	+ 0.4
Cough Remedies	− 2.0	− 2.0	+ 3.8
Laxatives	± 0.0	+ 1.7	− 2.0
Sleeping Aids	+15.9	+11.9	+10.2
Tranquilizers	−10.9	−11.1	−14.6
Vitamins	− 3.0	− 9.5	− 5.0
Eye Care Products	+19.4	+20.2	+22.8
Appetite Suppressants	+ 3.8	+ 5.4	+ 9.4
SHAVING NEEDS	+ 0.4%	− 2.1%	− 5.2%
Shaving Creams	− 2.8	− 6.0	− 8.7
Pre-Shave Lotions	− 1.7	− 2.0	− 6.3
After-Shave Lotions	+10.5	+ 9.4	+ 2.4
Razor Blades	− 0.1	− 2.0	− 4.5
Razors & Blades	− 1.3	− 5.2	− 6.9
SKIN CARE AIDS	+ 6.6%	+ 3.7%	− 2.1%
Hand & Body Creams & Lotions	+ 4.7	+ 6.4	+ 0.5
Facial Preparations	− 7.2	− 8.2	−11.4
Lip Care Products	+23.7	+11.4	− 8.6
Suntan Lotions & Oils	+20.1	+10.2	+ 3.2
Cosmetic & Medicated Skin Aids	+ 2.9	+ 3.9	+ 1.9
TOTAL ALL CATEGORIES	+ [illegible]	+ 1.4%	− 1.4%

STORAGE PRODUCTS

Continued from page 4B

Proctor and Gamble will take on the nation's single best-selling household cleaner when Spic & Span Pine is introduced in October. This liquid cleaner, whose introduction will be backed by national television advertising, has been developed to compete with Pine-Sol which, according to Mark Dresner, a spokesman for American Cyanamid, Pine-Sol's manufacturer, is not only the largest selling household cleaner in the U.S. but in Brazil as well.

For its part, American Cyanamid has no immediate plans to announce a new household cleaner and will rely on Pine-Sol's time-tested reputation to preserve its share of the market. Pine-Sol has been around since 1930 when the Magnolia Chemical Company introduced it to industrial janitors as Ma-Che-Co. The product has been produced by American Cyanamid since 1963.

The company will, however, introduce a new roach trap by the end of the year. Unlike other products on the market already, Combat is a bait tray whose active ingredient is a slow-acting stomach poison that has been proven highly successful against the fire ant and against roaches in government tests as well as in test marketing in New Orleans and Kansas City. ■

SAMI

Continued from page 3B

fell 6.0 percent and 8.7 percent and part of this loss may be attributable to consumers stocking up on Edge's two-for-one deal earlier in the year. There has been little important new product activity this year to expand category volume in the shaving needs product group. The most significant loss from the standpoint of unit volume was 600 thousand units for razor blades during the four weeks ending July 20.

Finally, looking at skin care aids, there was a reversal of trend between June and July with the gain for June (+3.7 percent) turning into a loss rate in July (−2.1 percent). Hand and body lotions were ahead 6.4 percent in June but this rate of gain declined to a conservative 0.5 percent plus in July. Food store sales of facial preparations were weak in both periods recording a decline of 8.2 percent in June and a more severe −11.4 percent in July. Sales of lip care products trended up 11.4 percent in June but moved downward 8.6 percent come July. There were increases for both suntan lotions and oils as well as cosmetic and medicated skin care aids in each of the two early summer SAMI reporting periods, but the product group fell 2.1 percent in July.

Thus we see a mixed bag in the health and beauty aids section as the summer months unfolded. It must be kept in mind, however, that the 1984 periods are being compared with strong sales periods last year. ■

There's only one Rug Doctor®

Steaming mad at dirt!®

This is how I can work for you:

I'll help you reap the profits and the rewards of ownership without tying up your capital in machines and manpower. Put me in your store at no investment, then rent me out and take in the profits.

I'll worry about inventory overhead expenses. My representatives make regularly scheduled service calls to maintain my display rack.

I'll assure you of rental turnover through my aggressive national advertising campaign that directs customers to your store.

I'll attract customers with the unique cleaning action of my vibrating brush. My ability to clean both sides of the carpet fibers leads to more satisfied customers, more repeat business and more profits.

Call toll free 1-800-821-3161 for more information. In Missouri call: (314) 343-5106.

Rug Doctor

2788 N. Larkin Ave., Fresno, CA • 997 Horan Dr., Fenton, MO • 8910 McGaw Ct., Columbia, MD